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ABSTRACT

Reviewing the administration's fiscal year 1984 education budget, this statement outlines the proposals to reduce federal funding for education and lessen the federal government's involvement in education programs. The statement specifically addresses education programs for the disadvantaged, minorities, women, and the handicapped. Criticizing the budget for limiting educational opportunities for these groups, the report points out the inappropriate timing of these proposed budget cuts since three independent commission reports have recently expressed grave concerns about the state of the American educational system. Included in the report are three appendixes. Appendix A provides brief descriptions of existing elementary and secondary education programs that are earmarked for incorporation into block grants and/or budget cuts. These programs include Title I, Emergency School Aid, Bilingual Education, Training and Advisory Services, Indian Education, Education for All Handicapped Children, and Women's Educational Equity. Appendix B includes descriptions of 13 higher education programs also earmarked for budet cuts, replacement by new programs, or elimination. Appendix C includes tables of funding levels for selected programs. (MD)

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Statement on the Fiscal Year 1984 Education Budget

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United States Commission on Civil Rights
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U.S. COMMISSION ON CIVIL RIGHTS

The U.S. Commission on Civil Rights is a temporary, independent, bipartisan agency established by Congress in 1957 and directed to:

- Investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, sex, age, handicap, or national origin, or by reason of fraudulent practices;
- Study and collect information concerning legal developments constituting discrimination or a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;
- Appraise Federal laws and policies with respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;
- Serve as a national clearinghouse for information in respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin;
- Submit reports, findings, and recommendations to the President and the Congress.

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STATEMENT ON THE
ADMINISTRATION'S FISCAL YEAR 1984 EDUCATION BUDGET
UNITED STATES COMMISSION ON CIVIL RIGHTS

On January 31, 1983, the President submitted his Fiscal Year 1984 Budget for Education Activities to the Congress. 1/ This year, as in the first 2 years of this administration, cuts are proposed in a number of education programs which address the special needs of the disadvantaged, minorities, women, and the handicapped. These programs were enacted by Congress in the 1960s and 1970s to complement the civil rights laws passed during this period to eradicate the effects of segregation and discrimination and represent the Federal Government's commitment to the constitutional promise of equality for all Americans. 2/

As the Commission stated in Civil Rights: A National, Not a Special Interest (1981), the Supreme Court decision in Brown v. Board of Education 3/ marked a milestone in the Nation's movement to

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1/ U.S., Department of Education/Federal Education Activities, The Fiscal Year 1984 Budget (hereafter cited as The Fiscal Year 1984 Budget).

2/ For a thorough discussion see U.S., Commission on Civil Rights, Civil Rights: A National, Not a Special Interest (1981) (hereafter cited as Civil Rights: A National, Not a Special Interest).

3/ 347 U.S. 483 (1954).

provide equality of opportunity for all of its citizens. The decision was to initiate a legal assault on segregation and discrimination across the county. 4/ Congress assisted the movement by enacting a series of civil rights laws banning discrimination in voting, public accommodations, education, employment, housing and governmental services. It buttressed this civil rights legislation with a range of social and economic legislation aimed at overcoming the conditions of poverty.

Education was seen as a major component of the Nation's movement to right the wrongs of the past. Thus, Congress enacted programs to address the needs of those neglected or overlooked on the local level in elementary and secondary education. 5/ Programs were enacted to provide compensatory education for disadvantaged students, many of whom suffered from poverty and discrimination. Assistance was provided to school districts in implementing school desegregation plans. Students with limited-proficiency in English

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4/ See, U.S., Commission on Civil Rights, Twenty Years After Brown (1975).

5/ Civil Rights: A National, Not a Special Interest, pp. 34-48, 52-65.

were assisted through federally funded bilingual education programs. 6/

Similarly, in the higher education arena, the Federal Government attempted to ensure that the benefits of a college education are available to all. Programs were enacted to provide student financial assistance, strengthen developing institutions, and assist institutions of higher learning in identifying, attracting, and helping disadvantaged students to reach their academic potential. 7/ By the mid-1970s, the Federal Government had enacted a number of education programs to assist the disadvantaged and neglected in moving up the education ladder from preschool to college.

6/ Elementary and Secondary Education Act of 1965, Pub. L. No. 89-10, 79 Stat. 27 ("Title I" was orginally designated "Title II" but was renumbered "Title I" by Pub. L. No. 90-247, §§108(a)(2,110,81 Stat. 786, 787 (1968); the entire Title was amended by Pub. L. No. 95-561, 92 Stat. 2143 (1978), codified at 20 U.S.C. §§2701-2854 (Supp. V 1981). Emergency School Aid Act, Pub. L. No. 92-318, tit. VII, 86 Stat. 354 (1972) replaced by Publ. L. No. 95-561, tit. VI, 92 Stat. 2252 (1978) codified at 20 U.S.C. §§3191--3207 (Supp. V 1981). Bilingual Education Act, Pub. L. No. 89-10 as amended by Pub. L. No. 90-247, Jan. 2, 1968, 81 Stat. 816 and reenacted by Pub. L. No. 93-380, Aug. 21, 1974, 88 Stat. 503 as amended Pub. L. No 95-561, Nov. 1, 1978, 92 Stat. 2258 (codified at 20 U.S.C. §§3221-3261 (Supp. V 1981).

7/ Higher Education Act of 1965, 20 U.S.C.A. §§1051-1089 (1976 & Supp. V 1981).

While much has been accomplished over the last two decades, much remains to be done. In 1960 the proportion of blacks who completed high school was half that of whites; in 1980 the proportion was over 80 percent. 8/ "Since 1960, the proportion of blacks who have completed four years or more of college has quadrupled." 9/ However, blacks are still underrepresented in graduate and professional schools--in 1980 they accounted 5.4 percent of the graduate school enrollment and 4.6 percent of the professional school enrollment. 10/ Similarly, the percentage of Hispanics (18-24 years) attending college increased from 16.1 percent in 1975 to 20.4 percent in 1980. 11/ However, in 1980 Hispanics represented only 2.2 percent of graduate student enrollment, and 2.4 percent of professional school enrollment. 12/

8/ Franklin A. Thomas, Reflections on a Multi-Racial Society, address delivered as part of the Granada Guildhall Lecture series, London, Nov. 1, 1982, p. 4.

9/ Ibid.

10/ National Center for Education Statistics, The Condition of Education 1982, p. 134.

11/ Ibid., p. 134.

12/ Ibid., p. 132. Figures are not available for 1970.

In 1979, 5.9 million of the 11.6 million undergraduates were women. For the first time since World War II, they outnumbered male students. 13/ The percentage of B.A. degrees awarded women increased from 44 percent in 1972 to 49 percent in 1980. 14/ While women remain underrepresented in professional schools, they have made great progress, earning 25 percent of the professional degrees awarded in 1980, compared to 6 percent in 1972. 15/

The Nation needs to recommit itself to the goal of providing equality of educational opportunity for all Americans. Accordingly, the Commission calls on the Congress to examine closely the administration's proposed budget cuts in education and on the administration to provide affirmative leadership in ensuring the Nation's commitment to equality of educational opportunity.

The administration's proposals to reduce Federal funding for education and to lessen the Federal Government's involvement in education come at a time when three independent commissions have expressed grave concern about the state of America's educational system. The National Commission on Excellence in Education--a

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13/ National Advisory Council on Women's Educational Programs, Title IX: The Half Full, Half Empty Glass (Fall 1981), p. 27.

14/ Ibid., p. 28.

15/ Ibid.

commission appointed by the Secretary of Education--reports that "the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people." 16/ The report also states that "the Federal Government has the primary responsibility to identify the national interest in education. It should also help fund and support efforts to protect and promote that interest." 17/

The Twentieth Century Fund Task Force on Elementary and Secondary Education states that "it is increasingly important that the federal government emphasize the pressing need for a high-quality system of education open to all Americans, regardless of race or economic position." 18/ Similarly, a Task Force on Education for Economic Growth, chaired by North Carolina Governor James Hunt, has called for governors to appoint a State task force to look at ways to improve education and bring well-trained youths into the work force. 19/

16/ The National Commission on Excellence in Education, A Nation At Risk: The Imperative For Educational Reform (April 1983), p. 5 (hereafter cited as A Nation At Risk).

17/ Ibid., p. 33.

18/ Education Daily, May 6, 1983, pp. 3-4.

19/ Ibid.

Given the current state of American education, the three task forces have called for assistance from many fronts, including the Federal Government. Thus, the administration's proposal to reduce Federal aid to education comes at a particularly inopportune time. Although all the Nation's educational problems cannot be solved with increased Federal expenditures alone, many of the educational programs slated for cuts are those that have met with success in improving the quality of education for the neglected and the disadvantaged--groups whose education is in need of greater improvement than the Nation's as a whole. The Commission on Excellence reports that "about 13 percent of all 17-year-olds in the United States can be considered functionally illiterate. Functional illiteracy among minority youth may run as high as 40 percent." 20/ Further, The Commission recommended that the Federal Government's role in improving the quality of education include "protecting constitutional and civil rights for students and school personnel." 21/ The Commission felt States and local school districts were unlikely to be able to fulfill these obligations. Similarly, The Commission on Civil Rights views the Federal Government's role in addressing the needs of the disadvantaged,

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20/ A Nation At Risk, p. 8.

21/ Ibid., p. 33.

minorities, women and the handicapped as part of the Nation's commitment to fulfill the constitutional promise of equality for all Americans. In the Nation's effort to provide quality education it must not lose sight of the quest for equality.

Education over the years has been primarily the responsibility of State and local governments; this has not changed. During the 1981-1982 school year only 7.7 percent of the dollars spent on elementary and secondary education across the country came from the Federal Government. The corresponding figure for postsecondary education was 14.1 percent, for an overall percentage of 10. 22/ In large urban school districts, however, the Federal Government's contribution to elementary and secondary education is 16 percent. 23/ Further, the Federal Government's role in education, while limited, addresses special needs, many of which have been overlooked on the local level. 24/

22/ Ibid., p. 4.

23/ Children's Defense Fund, A Children's Defense Budget: An Analysis of the President's FY 1984 Budget and Children, p. 112 (hereafter cited as Children's Defense Budget 1984).

24/ Civil Rights: A National, Not a Special Interest, pp. 52-69. For example, prior to enactment of Title I (compensatory education), only three States had small pilot compensatory education programs. An evaluation of the Emergency School Aid Act (desegregation assistance) found that local school district funds were rarely earmarked to support desegregation related services.

The President's FY 1984 Budget request of $13.2 billion for education represents a 13 percent cut over the FY 1983 education budget enacted by Congress, or a reduction of slightly under $2 billion. 25/ Although the U.S. Commission on Civil Rights recognizes that dollars are not the sole measure of the Federal commitment to equal educational opportunity, the proposed budget would result in the reduced funding or elimination of a number of successful educational programs that have benefitted minorities and the disadvantaged. These include the civil rights technical assistance and training program, the Women's Educational Equity Act program, Indian education, bilingual desegregation grants, migrant compensatory education, fellowships for graduate and professional study, and legal training for the disadvantaged. 26/ The budget also requests rescissions in the FY 1983 budget of $1.2 billion. 27/

The remainder of this statement will provide general information on proposed budget cuts in selected programs.

25/ Fiscal Year 1984 Budget, p. 2. Included in the $1.9 billion reduction is a $900 million rescission for the Guaranteed Student Loan program due to declining market interest rates.

26/ Ibid., pp. 27, 36, 37.

27/ Ibid., p. 2.

Appendices follow which provide greater detail on the programs, along with a table which provides budget figures for the years FY 1981-1984.

Elementary and Secondary Education

In previous budget requests, the administration attempted to place Title I, which funds compensatory education programs across the country, in an education block grant. Apparently, due to the popularity and effectiveness of the program Congress refused to adopt the proposal. This year the administration is proposing a FY 1983 rescission of $126 million and a FY 1984 budget level that is $146 million less than the current appropriation. Further, the program would be restructured under an education voucher program. 28/ Under the voucher program, school districts could elect to use Title I funds to provide parents of children targeted for Title I education with vouchers. Parents would use the vouchers to cover tuition at a private school or at a public school in another school district, or to enroll their children in compensatory education programs in the home district. 29/ Title I is one of the

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28/ The White House, Press Release, Mar. 17, 1983, p. 3; Fact Sheet, pp. 3-5; H.R. 2397, Equal Educational Opportunity Act of 1983. Hearings were held on the bill on Apr. 6, 1983 by the House Elementary, Secondary, and Vocational Education Subcommittee.

29/ H.R. 2397, 98th Cong., 1st Sess. §3 (1983).

most successful education programs and should be strengthened, not weakened. 30/ The administration's reason for seeking to create a voucher system is to provide a greater range of educational choice to parents in selecting a school. 31/ The administration asserts "that parents have a constitutional right to send their children to private schools if they desire," but many parents are "foreclosed from exercising this constitutional right because they cannot afford private tuition on top of mandatory public school taxes." 32/ The administration believes the voucher proposal along with tuition tax credits will alleviate this problem. 33/ However, concern has been expressed that the voucher program would provide a legal means for parents to avoid court ordered desegregation. 34/

30/ National Assessment of Educational Progress, Reading, Science & Mathematics Trends: A Closer Look (Denver, Colorado: Education Commission of the States, 1982), Three National Assessments of Reading: Changes in Performance 1970-80.

31/ The White House, Press Release, March 17, 1983, p. 3.

32/ The White House, Fact Sheet, Presidential Message on Education, March 19, 1983, p. 4.

33/ Ibid.

34/ Grace Baisinger, chairperson, National Coaltion for Public Education, statement on H.R. 2397 before the House Subcommittee on Elementary, Secondary and Vocational Education, 98th Cong. 1st Sess., Apr. 6, 1983, p. 3.

This year, as was proposed last year, the FY 1984 budget request would expand the education block grant created in 1981. 35/ Funding in nine categorical programs would be eliminated and the programs would be added to the education block grant with no additional funding provided for the block grant. 36/ In FY 1982 these nine programs were funded, as separate categories, at a total level of $66.4 million. In FY 1983, the funding for six programs totaled $55 million. The administration is proposing a rescission of $54 million for FY 1983, and no funding in FY 1984. 37/ At the same time, the block grant these programs would be funded through is earmarked for a decrease of $2.5 million in FY 1983, and a FY 1984 funding level that is $1/2 million less than the FY 1983 appropriation. 38/ Thus, more programs and needs would be

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35/ Chapter 2 of the Education Consolidation and Improvement Act of 1981, Pub. L. 97-35, 95 Stat. 464, 469 (1981), consolidates numerous separate programs into a single authorization of grants to States.

36/ Fiscal Year 1984 Budget, p. 32. The 9 programs are: women's educational equity, follow through, training and advisory services, general aid to the Virgin Islands, teacher training territorial assistance, Ellender fellowships, career education incentive, law-related education, and biomedical sciences.

37/ Ibid.

38/ Ibid., The 6 programs are women's educational equity, follow through, training and advisory services, general aid to the Virgin Islands, teacher training territorial assistance and Ellender fellowships.

competing for fewer dollars. Further, a survey of local education agencies indicates that the majority of the categorical programs included in the block grant are not funded at all by most school districts. 39/

Data collected to date also indicate that the Chapter 2 block grant "has resulted in a massive redistribution of Federal funds from poorer school districts to wealthier ones and from public to private school." 40/

39/ Of the districts surveyed (a random sample of 2,500 large, mid-size and small school districts), only 4 to 5 percent are funding the previous categorical programs at even a low level. Most local school districts reported they were spending their block grant funds for instructional materials - books and materials, computer hardware, computer software and audiovisual equipment. American Association of School Administrators, The Impact of Chapter 2 of the Education Consolidation and Improvement Act on Local Education Agencies, p. 14 (hereafter cited as The Impact of Chapter 2).

40/ Ibid., p. 32.

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States such as Mississippi, New Mexico, Louisiana, Georgia, Alabama, and the District of Columbia, which enroll large numbers of poor and minority students, lost an average of 25 percent in funds. Sparsely populated States such as Wyoming, Alaska, Nevada and Utah gained an average of 19 percent in monies.

The Chapter 2 legislation requires "equitable participation" by children in private schools. Thus, while the Providence, Rhode Island, public school system received $491,000 under Chapter 2, $144,841 will go to private schools. Similarly, Buffalo, New York, which received $7.5 million in categorial Federal aid, received only $600 thousand under the block grant, and $200 thousand will go to private schools in the city. 41/

41/ National Committee for Citizens in Education, Network (November 1982), p. 1 (hereafter cited as Network); The Rhode Island American Civil Liberties Union plans to file a lawsuit in U.S. District Court to attempt to stop the Federal Government from sending Chapter 2 block grant funds to the State, because the monies must be shared with parochial schools. The ACLU will argue that it violates the First Amendment of the U.S. Constitution. In a related incident, Michigan State Education Board Members are seeking legal advice to determine whether they are violating their State Constitution by allocating some of the Chapter 2 funds to private schools. While Chapter 2 requires equitable allocations with private schools, the Michigan State Constitution prohibits the use of public money to support nonpublic schools. Education Daily, May 13, 1983, p. 3.

The Council of Great City Schools, whose member school districts enroll 45 percent of the Nation's minority school children, reports that its school districts "had to exchange approximately $135.7 million in categorical aid (FY 1980) for $50.3 million (FY 1982) in block grant funds, a decline of 63 percent." 42/ The decline in funding from 1980-1982 nationally was 35.8 percent. 43/

The American Association of School Administrators (AASA) has stated that the funding shift has created "serious equity problems." 44/ Large urban school districts which enroll the vast majority of students have been hurt the most by the block grant. 45/ AASA has called on Congress to provide additional assistance to urban districts in order to maintain equity. 46/

42/ The Council of the Great City Schools, Trends in Federal Funding to Urban Schools: A Progress Report on The Reagan Years (February 1983), pp. 3, 7.

43/ Ibid., p. 4.

44/ The Impact of Chapter 2, p. 19.

45/ Ibid.

46/ Ibid., p. 7.

Although States are required to develop allocation formulas which provide additional funds to districts with high cost students, i.e., low-income, handicapped, limited-English- proficient, and gifted and talented, the funds are not necessarily allocated on the local level in the same manner. 47/ Once the local education agencies receive their monies, they are not obligated to spend them on the high cost students. Initial data indicate funds are spent primarily on general "instructional materials--equipment, books and supplies--" and not on special programs for the high cost students. 48/

The bilingual education program which provides funding for local school districts to address the needs of children with limited-English-proficiency, would be reduced by $43.5 million in FY 1983 (from $138 to $94.5 million), and maintained at $94.5 million in FY 1984, if the administration's budget is enacted. 49/ The proposed FY 1983 and 1984 level of $94.5 million represents a 46 percent reduction in the program since FY 1980. 50/ Moreover, the

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47/ Network (November 1982), p. 1; Pub. L. No. 97-35 §§571-582.

48/ Ibid., The Impact of Chapter 2, p. 14.

49/ The Fiscal Year 1984 Budget, p. 39.

50/ Ibid., The Fiscal Year 1983 Budget, p. 31.

administration's proposal would eliminate grants for desegregation assistance at a time when studies show that Hispanic students are becoming more segregated in the Nation's schools. 51/

Indian Education funding, which has been appropriated every fiscal year for the past decade, would be eliminated if the administration's FY 1984 budget is enacted by Congress. 52/ In FY 1983, $16 million would be rescinded, and the program would be funded at $1 million in FY 1984 to close out current projects. 53/ The administration contends that Indian students currently served by the Indian Education Act 54/ could be served by other education programs such as Title I, and bilingual education. 55/ Just how the approximately 330,000 students currently served by Indian education could be included in programs which presently are unable to serve

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51/ Gary Orfield, Desegregation of Black and Hispanic Students from 1968-1980, (Washington, D.C.: Joint Center for Political Studies), p. 3.

52/ Fiscal Year 1984 Budget, p. 25.

53/ Ibid.

54/ 20 U.S.C. §§3385, 3385a, 3385b (Supp. V 1981).

55/ Fiscal Year 1984 Budget, p. 25.

all of the eligible students is unclear. Further, the administration's FY 1984 budget proposes to reduce the funding levels for Title I and bilingual education, as well as other education programs for which Indian students would be eligible. 56/

The administration proposes to increase by $28 million the State and preschool grants for addressing the needs of handicapped students to a funding level of $1.023 billion in FY 1984. 57/ At the same time cuts totaling $28 million are proposed in smaller special purpose programs such as deaf-blind centers, and special education personnel development. 58/

As last year, the administration's budget proposal expresses support for a tuition tax credit for parents who send their children to private schools. 59/ The administration asserts that "[a]ll parents have a fundamental right and responsibility to direct the education of their children in a way that best serves their individual needs and aspirations. Private schools provide

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56/ Ibid., pp. 31, 32.

57/ Ibid., p. 33.

58/ Ibid.

59/ Ibid., p. 17.

an essential means for many in fulfilling their aspirations." 60/ If enacted this legislation presumably would result in a further reduction in Federal monies for public education. The Children's Defense Fund estimates that the tuition tax credit bill "could cost some $1.5 billion by FY 1986" in Federal tax revenues. 61/ The administration estimates the cost to be: $245 million in 1984, $526 million in 1985, and $753 million in 1986. 62/ In effect, Federal funds would be transferred from public education to private education. 63/

At the same time the President advances the need to return the Federal Government's involvement in education to the States and local education agencies, he is proposing a major new science and

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60/ Ibid.

61/ Children's Defense Budget 1984, p. 116; A review of the administration's tuition tax credit bill submitted to Congress last year (S. 2673) determined that the bill would have resulted in lost revenues of $32 million in 1983, $373 million in 1984, and $854 million in 1986. U.S. Library of Congress, Congressional Research Service, Robert F. Lyke, Tuition Tax Credits (September 1982), p. 11.

62/ Fiscal Year 1984 Budget, p. 17.

63/ Children's Defense Budget 1984, p. 116..

mathematics initiative. 64/ This initiative would respond to the national need to improve the quality of science and mathematics education in the secondary schools. The administration's bill proposes the authorization of $50 million for 4 years, beginning in FY 1984, for the education of high school science and mathematics teachers. The funds would be allocated to the States as a block grant for distribution to the local education agencies. 65/

The administration's submission of H.R. 1324, Science and Mathematics Teacher Development Act of 1983, falls within the Federal Government's traditional education role of meeting needs not addressed by State and local governments. Numerous education programs that the administration presently is proposing to cut and to place in block grants were enacted by Congress to address the national need to provide equality of educational opportunity for all

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64/ Fiscal Year 1984 Budget, p. 32. H.R. 1324, Science and Mathematics Teacher Development Act of 1983; Other related bills have been submitted to Congress. S. 530, H.R. 1310--Mathematics, Science and Foreign Language Education Improvement--passed the House on Mar. 2, 1983 and would authorize $425 million for FY 1984. The bill was voted out by the Senate Labor and Human Resources Committee on May 11, 1983. It also authorized $425 million for FY 1984.

65/ H.R. 1324, 98th Cong., 1st Sess. (1983). Although the monies would be allocated under the Chapter 2 Block grant, they would have to be used to award scholarships for teacher training in mathematics and science.

Americans. As long as the programs prove effective in achieving their objectives and the needs continue to exist, strong support from the Federal Government should continue.

Higher Education

In the area of higher education, overall funding has remained level at $7.086 billion for the last 2 fiscal years. Over 90 percent of the Federal higher education budget is allocated for student financial aid. In passing the Education Amendments of 1972, 66/ which established or reauthorized many of the programs that benefit the disadvantaged, Congress [the House Committee on Education and Labor] recognized the Federal commitment to equal educational opportunity:

> Beginning in 1958, with the enactment of the National Defense Education Act, this Committee has had a special concern with the need for a comprehensive student assistance program which can guarantee each high school graduate an opportunity to seek a postsecondary education without regard to the economic circumstances of his or her family. 67/

In FY 1983 the administration proposed substantial cuts in Federal support for higher education, the largest of which was a 50

66/ Pub. L. No. 92-318, 86 Stat. 235 (1972).

67/ H.R. Rep. No. 554, 92d Cong., 2d Sess., reprinted in 1972 U.S. CODE CONG. & AD. NEWS, 2462, 2476.

percent reduction in need-based student financial assistance programs. 68/ If enacted, these programs would have resulted in a substantial retreat from the Federal commitment to equal educational opportunity. The Congress, however, rejected the drastic cuts proposed by the administration, and the FY 1983 higher education budget remained at about the same level as for FY 1982. By contrast the administration's proposed FY 1984 budget recommends an overall freeze on total spending for need-based student financial aid programs at the FY 1983 level of $3.56 billion, but again proposes to cut or eliminate many of the categorical higher education programs.

Although the total financial aid budget will remain at about the same level, 69/ the administration proposes to change the way in which student aid is distributed. Pell grants, supplemental educational opportunity grants (SEOGs), and State student incentive

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68/ The need-based programs include Pell grants, supplemental educational opportunity grants, State student incentive grants, and the national direct student loan program.

69/ The FY 1983 student financial aid budget totaled $6.66 billion; the proposed FY 1984 budget would total $5.6 billion. The FY 1984 budget reflects a $900 million rescission in the guaranteed student loan program due to lower market interest rates.

grants (SSIGs) would be replaced by a new self-help grant program. 70/ Under the self-help grant program, a student would be required to contribute 40 percent, or a minimum of $800, of college costs through work or loans before being eligible for a self-help grant of up to $3,000. The college work-study program would be expanded by almost 60 percent from $540 million to $850 million to accommodate the self-help requirements. Of the two student loan programs, the national direct student loan program (NDSL) would receive no new capital contributions while the guaranteed student loan program (GSL) would institute two new requirements: (1) that all students applying for regular loans, regardless of income level, undergo an analysis of their income to determine need, and (2) that graduate students pay a 10 percent loan origination fee. 71/

Since the self-help grant program is still in the proposal stage, a thorough evaluation of its impact on minority students cannot be made. The minority higher education community, however, does not view the self-help proposal as beneficial to minority

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70/ Fiscal Year 1984 Budget, pp. 6-7.

71/ The loan origination fee is paid from the loan principal. On a $5,000 commercial loan, $500 would go directly to the Federal Government (to help reduce the Government's cost of subsidizing the loan) and $4,500 would go to the college. On paying back the loan, the student would pay $5,000 plus 9 percent interest.

students despite the fact that the Administration asserts that the proposed changes would allow limited Federal funds to go further in aiding the truly needy. 72/ Critics argue that the self-help proposal places a greater burden on minority students and their families when they are least able to afford it. 73/ In 1981 the median family income for blacks was about 43 percent lower than that of whites; for Hispanics, 30 percent lower. 74/ Moreover, the unemployment rate for black teenagers is two and a half that for white teenagers. 75/ A 1982 survey of student finances noted that if students' access to postsecondary education depended solely on their families' ability to pay, the access of minorities would be seriously limited. 76/

72/ See Dr. Elias Blake, Jr., president, Clark College, statement on behalf of the National Association for Equal Opportunity in Higher Education (NAFEO), an organization representing the presidents of 114 historically and predominantly black colleges, before the House Subcommittee on Postsecondary Education, Mar. 1, 1983; United Negro College Fund, "Preliminary Analysis of FY '84 Budget," February 1983.

73/ Ibid.

74/ In 1981 the median family income for blacks was $13,266, for Hispanics, $16,401, and for whites, $23,517. U.S., Department of Commerce, Bureau of the Census, Statistical Abstract of the United States 1982-83, p. 432.

75/ In April 1983, the unemployment rate for black teenagers was 49.0 percent compared to 20.4 percent for white teenagers. U.S., Department of Labor, Bureau of Labor Statistics.

76/ U.S., Department of Education, National Center for Education Statistics, The Condition of Education (1982), p. 123.

Additionally, since educationally disadvantaged students often need more study time or tutoring, a self-help work requirement may have a negative effect on retention and graduation rates for disadvantaged students. 77/

Although the administration does not propose budget reductions for overall need-based assistance, it proposes to eliminate two programs that have been successful in increasing the number of minorities and women in graduate and professional programs - the graduate and professional study program and the legal training for the disadvantaged program, funded in FY 1983 at $10 million and $1 million respectively. Although small, these programs are the only Department of Education programs aimed at increasing graduate and professional education for disadvantaged groups. Minorities continue to be underrepresented at the graduate and professional level. In 1980 blacks represented 5.5 percent of graduate level enrollment--a 3 percent decline from 1978; Hispanics represented 2.2 percent of graduate enrollment--a 15 percent increase from 1978. 78/ At the professional level, blacks comprised 4.6 percent

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77/ For further discussion of these issues, see appendix on student financial aid programs.

78/ U.S., Department of Education, National Center for Education Statistics, The Condition of Education 1982, p. 134.

and Hispanics 2.4 percent of the enrollment in 1980. 79/ Studies have shown that a major reason for the lack of progress in black participation in advanced study is financial. 80/ Elimination of these programs will limit access to graduate and professional study by women and minorities.

In keeping with the administration's commitment to increase the participation of historically black institutions in federally sponsored programs, 81/ the FY 1984 budget proposes to increase

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79/ Ibid.

80/ National Advisory Committee on Black Higher Education and Black Colleges and Universities, A Losing Battle: The Decline in Black Participation in Graduate and Professional Education, October 1980, pp. 2, 13.

81/ On September 15, 1981, the President issued Executive Order 12,320, 46 Fed. Reg. 46, 107-08 (1981), which mandated a Federal program "designed to achieve a significant increase in the participation by historically Black colleges and universities in Federally-sponsored programs." On May 3, 1983, the first progress report was issued. In FY 1982 Federal funding to historically black institutions totaled $564.5 million, a 3.6 percent increase over FY 1981. Black institutions received 5.7 percent of the $9.9 billion in Federal support available to all nigher education institutions in FY 1982. Twenty-seven Federal agencies provide 98 percent of all Federal funds for nigher education institutions including nistorically black institutions. The Department of Education provided the most funds to black institutions - $430.9 million or 77 percent of the total Federal obligation. It is important to note that 41 percent of the funds allocated to black institutions was in the form of student aid - $206.5 million from the Department of Education's student financial assistance programs and $23.2 million from other agencies. For most black colleges, student aid is an unpredictable form of Federal assistance because it is direct aid to students and not institutions. Student assistance money generally is apportioned to colleges for disbursement to students. White House Initiative on Historically Black Colleges and Universities, Annual Federal Performance Report on Executive Agency Actions to Assist Historically Black Colleges and Universities for Fiscal Year 1982, May 3, 1983, Federal Interagency Committee on Education, Federal Agencies and Black Colleges Fiscal Year 1978.

funding to black institutions by approximately $34 million or 17 percent. The specific increases include:

- Funding for the Title III strengthening developing institutions program would be increased from $129.6 million in FY 1983 to $134.4 million in the revised FY 1983 request and remain level in FY 1984 with the set aside for black colleges increased from $41 million in 1983 to $42 million in the revised 1983 request and $45 million in FY 1984.

- FY 1984 funding for the minority institution science improvement program would remain at the FY 1983 level of $4.8 million with about $3 million going to black colleges.

- Funding to Howard University would increase by $14.5 million from $145.2 million in FY 1983 to $159.7 million in FY 1984. 82/

82/ Howard University was established by an act of Congress in 1867 and maintains a special relationship with the Federal Government through the Department of Education. In lieu of an endowment, Congress annually appropriates funds to the university in the Department of Education budget. U.S., General Services Administration, National Archives and Records Service, Office of the Federal Register, The United States Government Manual, 1982/83, p. 237; Federal Interagency Committee on Education, Federal Agencies and Black Colleges, Fiscal Year 1978, p. 1.

- A legislative initiative is proposed to revamp the special program for disadvantaged students (TRIO program) 83/ and target the $35 million requested to minority institutions with about $23 million going to black colleges.

Increased funding to historically black colleges, will enable these institutions to continue to play a vital role in educating a significant segment of the population. However, at the same time the administration pledges support for minority institutions, it proposes to reduce funding for programs that have aided disadvantaged minority students. Currently, the TRIO programs provide special services to encourage attendance and retention of disadvantaged students at postsecondary institutions. Although the administration proposes to target TRIO funds to minority institutions, the TRIO budget will be reduced by 77 percent from the FY 1983 level of $154 million to $35 million in FY 1984. The 77 percent cut in program funds will decrease substantially the number of disadvantaged students reached by the programs. Moreover, since

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83/ The five TRIO programs include talent search, upward bound, educational opportunity centers, special services, and the staff training program. For a description of each program, see App. B.

tne large majority of minority students attend predominantly white institutions, 84/ tne administration's proposal to revise tne TRIO program's autnorizing legislation in order to target the $35 million to predominantly minority institutions (66 percent to historically black institutions) will not assure tnat more minority students will benefit from tne program. 85/

Tne FY 1984 budget proposes to eliminate several other categorical nigner education programs that directly affect minority students. Tnese include the land-grant colleges and universities program wnicn provides $2.8 million annually to 74 land-grant colleges and universities, 16 of which are historically black institutions, and tne migrant education program that assists migrant workers, the majority of whom are Hispanic and black, in completing nign school and tne first year of college.

84/ About 70 percent of black students and 90 percent of Hispanic students on tne mainland attend predominantly wnite institutions. American Council on Education, Higher Eduction and the FY 84 Budget: An Overview, Mar. 1, 1983, p. 6.

85/ For data on minority participation in tne TRIO program, see appendix.

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In addressing the problems of education in this country, the National Commission on Excellence in Education stated that it is essential "for government at all levels to affirm its responsibility for nurturing the Nation's intellectual capital. 86/ "Education should be at the top of the Nation's Agenda." 87/ The Commission recommended that:

> The Federal Government, in cooperation with States and localities, should help meet the needs of key groups of students such as the gifted and talented, the socioeconomically disadvantaged, minority and lanugage minority students, and the handicapped. 88/

The American people believe education is the "major foundation for the future strength of this country," 89/ and that public education should be the "top priority for additional Federal funds." 90/ The U.S. Commission on Civil Rights calls on the President, his administration, and the Congress to provide the leadership and resources necessary to ensure equality of educational opportunity for all.

86/ A Nation at Risk, p. 17.

87/ Ibid., p. 18.

88/ Ibid., p. 32.

89/ Gallup Poll of the Public's Attitudes Toward the Public Schools as reported in A Nation at Risk, p. 17.

90/ Ibid.

Appendices A and B provide brief descriptions of programs that have assisted in providing equality of educational opportunity for all students and that are earmarked for block grants and/or budget cuts. Appendix C provides funding levels for selected programs from FY 1980 to FY 1984.

Appendix A: Elementary and Secondary Education Programs

Title I

In 1965 the U.S. Congress passed a comprehensive education bill to provide federal financial assistance to school districts with concentrations of children from low-income families. 1/ The funds were to be used for providing education programs to address the special needs of educationally deprived children. 2/ President Johnson, in remarks to Congress marking enactment of the Elementary

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1/ Elementary and Secondary Education Act of 1965, Pub. L. No. 89-10, 79 Stat. 27 (1965). The Act was extensively reorganized and expanded by Pub. L. No. 95-561, 92 Stat. 2143 (1978), codified at 20 U.S.C. §§2701-2854 (Supp. V. 1981). The Education Consolidation and Improvement Act of 1981, Pub. L. No. 97-35, 95 Stat. 463 (1981), added additional amendments regarding Title I, 20 U.S.C. §§3801--3807 (Supp. V 1981), and consolidated Titles II, III, IV, V, VI, VIII and IX (except part C) effective Oct. 1, 1982, 20 U.S.C. §§3811-3863 (Supp. V 1981).

2/ Pub. L. No. 89-10 §201, 79 Stat. 27 (1965).

and Secondary Education Act of 1965 stated, "I think Congress has passed the most significant education bill in the history of the Congress. We have made a new commitment to quality and to equality in the education of our young people." 3/

Since its inception, the major thrust of the act has been Title I, which provides compensatory education to children from disadvantaged backgrounds. 4/ Title I is the largest Federal program providing aid for elementary and secondary education, and the funds are spent primarily on compensatory instructional services in reading, mathematics, and language arts. 5/

Annually since 1966 between $1 billion and $3.2 billion has been appropriated for compensatory education programs. 6/ These monies account for 3 percent of the total funds spent nationally

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3/ Remarks to Congress at a Reception Marking the Enactment of the Education Bill, Pub. Papers 415 (Apr. 13, 1965).

4/ National Institute of Education, The Compensatory Education Study: Executive Summary (July 1978), pp. 1-2 (hereafter cited as The Compensatory Education Study).

5/ U.S., Department of Health, Education, and Welfare, Title I, Elementary and Secondary Education Act (1979), pp. 1-3.

6/ U.S., Department of Education, Office of Planning, Budget and Evaluation, Annual Evaluation Report on Education Programs Fiscal Year 1982 (unprinted and unpaginated draft), Education of Disadvantaged Children (hereafter cited as Annual Evaluation Report 1982).

on elementary and secondary education. However, "on average, Title I provides each child served an additional $436 in education services which represents an increase of about 34 percent more than these students normally receive from state and local sources." 7/ Over the years between 5 and 9 million students have been served annually by Title I programs. 8/ Slightly less than 50 percent are minority. 9/ The Department of Education's 1982 Annual Evaluation Report on Education Programs reports that "currently all 50 States, the District of Columbia, Puerto Rico, and all outlying territories and the Bureau of Indian Affairs receive Title I funds." 10/ In FY 1982 over 5 million students (11.6 percent of elementary and secondary public school students) in 87 percent of all school

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7/ National Advisory Council on The Education of Disadvantaged Children, Title I, Today: A Factbook (Spring 1981), p. ix.

8/ Statistical data provided by the Office of Education, U.S. Department of Education Authorization, Appropriations, and Participation 1966-1979.

9/ During the regular school term in 1979-80, 29 percent of the participants were black, not Hispanic, 16 percent were Hispanic, 2 percent were Asian or Pacific Islander, and 2 percent were American Indian or Alaskan Native, Annual Evaluation Report 1982.

10/ Annual Evaluation Report 1982.

districts participated in Title I programs. 11/ In spite of the targeting of funds to inner-city schools and districts with large concentrations of minority students,12/ it is estimated that only 66 percent of the students determined eligible are served by the program due to less than full funding. 13/ It is notable that 53 percent of the Nation's students in the lowest achievement quartile (as measured by standardized tests) do not participate in any compensatory education program. 14/ Further, although 42 percent of the Nation's poorest students are in schools that offer compensatory education, they are not participants. 15/ The reasons suggested for this are poor selection procedures, funding levels too low to serve all needy children, and the lack of Title I programs at certain grade levels. 16/

11/ Ibid.

12/ The Compensatory Education Study, p. 3.

13/ Statistical data provided by the Office of Education, U.S. Department of Education, Authorization, Appropriation, and Participation 1966-1979; The Compensatory Education Study, pp. 7-8.

14/ U.S., Department of Education, An Evaluation of ESEA Title I--Program Operations and Education Effects (March 1982), p. III-5 (hereafter cited as An Evaluation of ESEA Title I).

15/ Ibid.

16/ Ibid.

Title I funds have been used to help combat the cumulative effect of poverty and discrimination that accounts for the overrepresentation of minority children in low-income families and the ranks of the underachievers. 17/ Moreover, education officials have encouraged efforts under Title I to develop project activities that help to reduce racial isolation in the Nation's schools. 18/ Recent studies by the Department of Education and others have demonstrated that participation in Title I programs has positive results on the reading and mathematics achievement of students. 19/ Studies have found that Title I students show positive reading and

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17/ U.S., Department of Health, Education, and Welfare, Title I/Year II, Second Annual Report of Title I, School Year 1966-67, p. 1.

18/ U.S. Commission on Civil Rights, Racial Isolation in the Public Schools (1967), p. 187.

19/ National Assessment of Educational Progress, Reading, Science & Mathematics Trends: A Closer Look (Denver, Colorado: Education Commission of the States, 1982), Three National Assessments of Reading: Changes in Performance 1970-80; Children's Defense Fund, A Children's Defense Budget: An Analysis of the President's Budget and Children (1982), p. 117 (hereafter cited as A Children's Defense Budget).

mathematics gains in all grade levels when pretested in the fall and posttested in the spring. 20/ Further positive results from compensatory programs were found most often for Title I participants as compared to students only in State or local compensatory education programs. 21/ However, evaluations also have found that in mathematics, "students who have left the Title I program because of high performance tend to show a decline after participation ceases." 22/ It is also notable that Title I students who are taught by more experienced teachers show the greatest growth in reading and mathematics achievement. Instruction from support staff, such as aides and assistants, had much less impact on student achievement. 23/

20/ Students who were tested annually (fall to fall) showed positive reading gains in all grades but the 10th and 11th, and positive mathematics gains in all grades but the 10th. Suggestions for the differences between fall-to-spring testing and annual testing are "students forget what they have learned over the summer, different student populations are tested annually as opposed to fall-to-spring, a greater proportion of program participants are included in the fall-to-spring evaluations, students are more likely to have changed test levels in the annual evaluations, and annual testing programs are likely to have greater accountability since they serve general district purposes as well as Title I purposes." An Evaluation of ESEA Title I, pp. IV, 4, 11.

21/ Ibid.

22/ An Evaluation of ESEA Title I, p. [illegible]3.

23/ Ibid., pp. I-3, I-4.

The Reagan administration tried unsuccessfully its first year in office to include Title I in the consolidation of over 50 individual education programs into two block grants, the local education block grant and the State education block grant. 24/ Although this failed, the Omnibus Budget Reconciliation Act of 1981 25/ resulted in a less effective Title I program. Chapter 1 of the Education Consolidation and Improvement Act (subtitle D of the Omnibus Budget Reconciliation Act) 26/ no longer requires that the funds be targeted to the children in greatest need, parent advisory councils were eliminated, and many of the program's accountability requirements were eliminated. 27/

Although the actual appropriations for Title I have increased over the years, the adjusted appropriations in constant dollars have decreased. For example, actual appropriations for Title I (not including State administrative and evaluation costs) increased from

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24/ U.S., Department of Education, Revised Fiscal Year 1982 Budget (March 10, 1981), pp. 2-3.

25/ Pub. L. No. 97-35, 95 Stat. 357 (1981).

26/ Pub. L. No. 97-35, 95 Stat. 463 (1981), codified at 20 U.S.C. §§3801-3876 (Supp. V 1981).

27/ 20 U.S.C. §§3805(b)(1)(c), (b)(2), 3803 (Supp. V 1981); (1983), p. 109; Annual Evaluation Report 1982.

$1.2 billion in 1970 to $2.4 in 1982 or 98 percent. 28/ However, when adjusted for inflation (constant dollars) the appropriations decreased 25 percent from $1.2 billion in 1970 to $917 million in 1982. 29/

The FY 1983 appropriation funds Title I at $3.160 billion dollars. 30/ The administration has proposed a rescission of $126 million and a FY 1984 funding level of $3.013 billion. This would represent a decrease of $146 million over the FY 1983 appropriation. 31/ Using a per pupil expenditure of $500, the proposed FY 1983 rescission would result in 252,000 students being dropped from the program. Similarly, the proposed decrease in the FY 1984 funding would eliminate services to an additional 40,000 students. 32/ If adjustments were made for inflation, the number

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28/ Annual Evaluation Report 1982.

29/ Ibid.

30/ U.S., Department of Education/Federal Education Activities, The Fiscal Year 1984 Budget, p. 31 (hereafter cited as The Fiscal Year 1984 Budget).

31/ "Although estimates of per pupil expenditures are difficult to collect from districts, and where available are subsequently difficult to interpret (due to different accounting methods, etc.), it is possible to obtain rough indicators of Title I efforts by this method....Based on 1979-80...information, an expenditure estimate of $450 - 500 per Title I child does not seem unreasonable. Annual Evaluation Report 1982.

32/ These figures are computed by dividing the proposed budget cuts by the per pupil expenditure, e.g. $\frac{126,000,000}{500} = 252,000$.

dropped from the program would increase. Further, the Council of Great City Schools, a coalition of 30 of the Nation's largest urban school systems, which enroll 45 percent of the Nation's minority children, reports that their local school districts will have experienced a loss of $24 million in Title I grants since 1980, if the FY 1984 budget is enacted. 33/ The proposed budget cuts are even more objectionable given the successful track record of the program, and the number of eligible students who are not served by the program currently.

For FY 1984 the administration is proposing an additional change to Title I. It has submitted a bill to Congress which would allow parents of children targeted for Title I programs to receive a voucher to use at any school, public or private, that the parents determined would provide the best program for their children. The redemptive amount of the voucher would be determined by dividing the Federal grant by the number of students targeted for Title I. 34/ On April 6, 1983, the House Subcommittee on Elementary, Secondary, and Vocational Education held hearings on the voucher proposal. Testimony provided many concerns about the voucher proposal,

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33/ The Council of the Great City Schools, Trends in Federal Funding to Urban Schools: A Progress Report on the Reagan Year (February 1983), p. 7 (hereafter cited as Trends in Federal Funding to Urban Schools).

34/ H.R. 2397, 98th Cong., 1st Sess. (1983).

and questioned why the Federal Government would want to alter "one of the nation's most successful educational programs." 35/ Concern was also expressed that the voucher proposal would provide "a legal means for parents living in the urban areas to avoid court ordered desegregation." 36/ Further, such a system "would create inequities through the myth of parental choice. Choice for the disadvantaged is limited through selective admissions of non-public schools, varying tuition costs, geographical location and lack of information." 37/

Emergency School Aid Act

The administration was successful, during its first years, in placing the Emergency School Aid Act (ESAA), 38/ which provided

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35/ Grace Baisinger, chairperson, Vouchers and ECIA Chapter I, Statement before the House Subcommittee on Elementary, Secondary and Vocational Education, 98th Congress, 1st Sess., p. 2.

36/ Ibid., p. 3.

37/ Ibid.; See also statements of Mary Hatwood Futrell, National Education Association; Althea Simmons, NAACP; Edd Doerr, The Voice of Reason.

38/ Pub. L. No. 92-318, tit. VII, 86 Stat. 354 (1972), formerly codified at 20 U.S.C. §§1601-1619 (1976), repealed and replaced by subsequent Emergency School Aid Act, Pub. L. No. 95-561, §§601-617, 92 Stat. 2252-2268 (1978), codified at 20 U.S.C. §§3191-3207 (Supp. V 1981), repealed incident to consolidation, effective Oct. 1, 1982, by Pub. L. No 97-35, tit. V, §587(a)(1), 95 Stat. 480 (1981), codified at 20 U.S.C. §§3191-3207 note (Supp. V 1981).

monies to assist school districts in their desegregation efforts, in a block grant. 39/ The placement of ESAA in a block grant has substantially reduced the Federal Government's financial commitment to desegregation, which began over a decade ago. 40/

In 1970 the Federal Government began providing financial assistance to school districts undergoing school desegregation. 41/ On March 24, 1970, President Nixon requested the Congress to divert monies from other domestic programs to fund programs for improving education in racially impacted areas, North and South, and for

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39/ Revised Fiscal Year 1982 Budget, pp. 2-3.

40/ A random survey of 2,500 local school districts established that 94.3 percent of the districts did not fund the Emergency School Aid Act program under the block grant. Of the 5.7 percent who did fund ESAA, the average grant was $871. American Association of School Administrators, The Impact of Chapter 2 of the Education Consolidation and Improvement Act on Local Education Agencies, p. 14 (hereafter cited as The Impact of Chapter 2).

41/ In 1971 and 1972, $75 million was provided under the Emergency School Assistance Program to meet special needs incident to the elimination of racial segregation and discrimination among students and faculty in elementary and secondary schools by contributing to the costs of new or expanded activities which were designed to achieve successful desegregation and the elimination of all forms of discrimination in the schools. This program was phased out in 1973; funding that year was at the level of $21 million. U.S., Office of Education, Bureau of Elementary and Secondary Education, Equal Educational Opportunity Programs, Obligational Authority for Desegregation Assistance Fiscal Years 1965-1977.

assisting school districts in meeting special problems incident to court-ordered desegregation. 42/ The President also stated that the Nation needed [t]o place the question of school desegregation in its larger context, as part of America's historic commitment to the achievement of a free and open society" and that the Nation "must give the minority child that equal place at the starting line that his parents were denied - and the pride, the dignity, the self-respect, that are the birthright of a free American." 43/ In 1972 the Federal commitment to school desegregation was expanded with the passage of the Emergency School Aid Act.

The Emergency School Aid Act provided financial assistance to school districts:

1) to meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty in elementary and secondary schools;

2) to encourage the voluntary elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority group students; and

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42/ Statement about Desegregation of Elementary and Secondary Schools, Pub. Papers 304, 317, (March 24, 1970).

43/ Id. at 305, 319.

3) to aid school children in overcoming the educational disadvantages of minority group isolation. 44/

The act provided financial assistance to eligible school districts and certain other nonprofit organizations for instructional services, human relation efforts, and other activities related to eliminating minority group isolation and the operation of an integrated school. 45/ Between 1973 and 1980, over $200 million was spent annually for ESAA projects. In FY 1981 $149 million was appropriated. 46/ The basic grant component, which was the largest,

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44/ Pub. L. No 92-318, tit. VII, §702, 86 Stat. 354 (1972); the third purpose was deleted from the Act in 1978, Pub. L. No. 95-561, tit., VI, §602, 92 Stat. 2252 (1978).

45/ Pub. L. No. 92-318 tit. VII, 86 Stat. 354 (1972), formerly codified at 20 U.S.C. §§1601-1619 (1976), repealed and replaced by subsequent Emergency School Aid Act, Pub. L. No 95-561 §§601-617, 92 Stat. 2252-2268 (1978), codified at 20 U.S.C. §§3191-3207 (Supp. V 1981).

46/ U.S., Office of Education, Bureau of Elementary and Secondary Education, Equal Educational Opportunity Programs, Obligational Authority for Desegregation Assistance Fiscal Years 1965-1977; Executive Office of the President, Office of Management and Budget, Catalog of Federal Domestic Assistance (1980), pp. 287, 298 (hereafter cited as Catalog of Federal Domestic Assistance); U.S., Department of Education, Annual Evaluation Report, Vol. 11, Fiscal Year 1981, p. 102 (hereafter cited as Annual Evaluation Report 1981).

awarded approximately 350 grants annually to school districts for projects which served over 3 million students. 47/ Additionally, grants were awarded for magnet school programs, educational television programs, and special programs and projects, such as efforts to reduce minority student suspensions and expulsions. 48/

An evaluation of the ESAA program in 1982 established that the majority of ESAA funds went to school districts with (1) large minority enrollments, (2) large percentages of students from low-income families and (3) large enrollments. 49/ Most districts received funds for desegregation efforts only from ESAA. 50/ A few

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47/ Catalog of Federal Domestic Assistance, p. 287.

48/ Ibid.

49/ U.S., Department of Education, DRAFT: Emergency School Aid Act (ESAA): A Federal Program to Meet Desegregation Related Needs (August 1982), p. xv (hereafter cited as DRAFT: Emergency School Aid Act).

50/ Ibid., p. xix.

districts received some inservice training through Title IV of the Civil Rights Act, and a few received some assistance from the State. "Rarely were local funds earmarked to support desegregation related services." 51/ The cutting of these funds and placement of ESAA in a block grant in FY 1982 has limited the Nation's efforts to provide equality of educational opportunity for all students.52/

Critics of the ESAA program have questioned whether school districts, with desegregation plans in place, have used the funds for desegregation activities or to address the needs of disadvantaged students. It is asserted that the needs of disadvantaged students are addresssed more appropriately through Title I which has a budget of over $ 3 billion. 53/ An evaluation

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51/ Ibid.

52/ For example, a random survey of 2,500 local school districts established that 94.3 percent of the districts did not fund the Emergency School Aid Act program under the block grant. Of the 5.7 percent which funded ESAA, the average grant was $871. American Association of School Administrators, The Impact of Chapter 2 of the Education Consolidation and Improvement Act on Local Education Agencies, p. 14 (hereafter cited as the The Impact of Chapter 2).

53/ See, Terrel Bell, Secretary of Education, letter to Clarence M. Pendleton, Jr., Chairman, U.S. Commission on Civil Rights, Apr. 12, 1983 (hereafter cited as Bell Letter (Apr. 12, 1983)).

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of ESAA found that "[d]istricts with older required plans used ESAA primarily for services such as compensatory education and reduction in suspensions, absenteeism, and other disciplinary problems." 54/ However, these problems, commonly referred to as "second generation" problems, are often associated with school desegregation, and must be addressed if a system is to be truly desegregated. 55/

Block grant funds are allocated to the States based upon the States' school-age populations. The State education agency, in consultation with a State advisory committee appointed by the Governor, develops a formula for allocating the funds to local school districts. 56/ The formula is to include consideration of

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54/ DRAFT: Emergency School Aid Act, p. 107.

55/ See, U.S., Commission on Civil Rights, Fulfilling The Letter and Spirit of the Law (August 1976).

56/ Pub. L. No. 97-35, §§564(a), 95 Stat. 470 (1981), codified at 20 U.S.C. 3814 (Supp. V 1981).

"the relative enrollments in public and nonpublic schools within the school district," and their numbers and percentages of children whose education imposes a higher than average cost. 57/ The States have the authority to define high cost students. 58/ Additional formula criteria may be approved by the Secretary of Education. 59/ Although funds are to be allocated to school districts based upon high cost students, the school districts are not required to spend the funds on programs for high cost students. 60/ State education agencies may keep up to 20 percent of the block grant funds for administrative costs and State programs. 61/ All but four States kept the full 20 percent. 62/

57/ 20 U.S.C. §3815(a) (Supp. V 1981). See also Bell Letter (Apr. 12, 1983).

58/ 20 U.S.C. §3815(a) (Supp. V 1981).

59/ 20 U.S.C. §3815(b) (Supp. V 1981); Bell Letter (Apr. 12, 1983).

60/ 20 U.S.C. §§3821-3842 (Supp. V. 1981). See also, National Committee for Citizens in Education, Network (November 1982), p. 7 (hereafter cited as Network).

61/ 20 U.S.C. §§3814(a), 3815(a) (Supp. V 1981).

62/ Network (March 1983), p. 2.

The ESAA program has suffered under the block grant. In fact in the Chapter 2 State formulae for allocation of funds to the local school districts, only seven States give any weight to desegregation efforts. 63/ California and New York developed formulae for allocation of the block grant funds that provided cities with the same level of desegregation funds they received under the ESAA categorical program. 64/ However, these formulae were rejected by the Education Department because they were not developed in conformity with the factors detailed in Chapter 2 of the Education Consolidation and Improvement Act. 65/

63/ Ibid. The seven States and the percentage-weights given to desegregation efforts are: California, 43 percent; Connecticut, 18 percent; Michigan, 18 percent; New Jersey, 20 percent; New York, 8 percent; Oregon, 7 percent; and Washington, 20 percent.

64/ Rochell L. Stanfield, "No Solution," National Journal (Jan. 15, 1983), p. 128 (hereafter cited as No Solution).

65/ Ibid.

Most States allocate the funds strictly according to the number of students, and not the special needs of the school districts such as desegregation efforts. 66/ According to the National Committee for Citizens in Education, the typical State kept 20 percent of its block grant for special programs and administrative costs. Seventy percent of the remaining funds were allocated among the local educational agencies, based upon the number of students, and the remainder was distributed according to the number of students considered most costly to educate, i.e., those from low-income families, the physically handicapped, those with limited proficiency in English as well as gifted and talented students, and students in sparsely populated areas. 67/ Connecticut allocated the highest percentage of its funds--79 percent--on high cost students. Mississippi allocated the lowest--5 percent. Mississippi is the poorest State in the country, and Connecticut is one of the richest. 68/

66/ Network, (March 1983), p. 2.

67/ Ibid.

68/ Ibid.

The Council of Great City Schools, whose member school districts enroll 45 percent of the Nation's minority school children, reports that its school districts received ESAA grants totalling $90.1 million in FY 1980. In FY 1983 they received $50.2 million total under the block grant. The level of $50.2 million for the block grant in 1982 is 55 percent of what the 30 school districts received from ESAA alone during the 1980-81 school year. 69/

The ESAA program was the second largest program included in the block grant. Its $150 million appropriation for 1981 was 29 percent of the $512 million allocated for all of the programs. The $161 million library assistance program was the largest. The other programs were funded at a few million dollars each for programs such as metric education, curriculum improvement, and consumer education. 70/

School districts that received substantial funding under ESAA have been hurt drastically by the block grant process. 71/ For example, St. Louis, Missouri, received $708,000 in block grant funds

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69/ Trends in Federal Funding to Urban Schools, pp. 7, 10.

70/ No Solution, p. 128.

71/ Ibid.

for the 1982-1983 school year. The previous year the district received $12.4 million from ESAA alone. 72/ Similarly, the Buffalo, New York, school system received over $6.7 million in ESAA funds in 1981, but for the 1982-1983 school year it received a total of $956,867 in block grant funds. 73/

The negative effect of including ESAA in the block grant prompted the introduction of legislation to reinstate emergency school aid for school desegregation. 74/ The bill would provide $177.9 million during fiscal year 1984 for assistance to local school districts carrying out desegregation plans. In introducing the legislation Senator Moynihan stated "Because of Federal Budget cutbacks,...the specific funding for desegregation has been lost in the snuffle, leaving many school districts with insufficient resources to carry out desegregation plans mandated by law." 75/

72/ Ibid.

73/ S. 402, 98th Cong., 1st Sess. (1983); Press Release, Senator Daniel Patrick Moynihan (D., N.Y.), on introduction of S. 402 to reinstate emergency school aid for school desegregation, Mar. 8, 1983, p. 4; On May 10, 1983, Senator Moynihan introduced S. 1256, a modified version of the original bill. The House Education and Labor Committee approved H.R. 2207, legislation similar to S. 1256, on May 11, 1983. H.R. 2207 was approved by the House on June 7, 1983 with a $100 million funding level for FY 1984.

74/ S. 402, 98th Cong., 1st Sess. (1983); H.R. 2207, 98th Cong. 1st Sess. (1983).

75/ Press Release, Senator Daniel Patrick Moynihan (D., N.Y.), introduction of S. 402.

In 1980 Emergency School Aid Act projects were funded at the level of $248.5 million, and only 52 percent of the applicants were funded. 76/ The FY 1981 appropriation provided $149.2 million for such projects, a 40 percent reduction in funding. 77/ The programs, including ESAA, which were placed in the block grant were funded as categorical programs for a total of $512 million in FY 1981, and the block grant was funded at $470 million in FY 1982 including the Secretary of Education's discretionary funds. The administration proposed an FY 1983 funding level of $406 million but Congress funded the block grant program at $479.4 million including discretionary funds. This year the administration is proposing a $2.6 million rescission in the block grant and an FY 1984 funding level of $478.8 million. 78/

76/ The Annual Evaluation Report 1981.

77/ Revised Fiscal Year 1982 Budget, attachment D, p. 25; Education Daily, Feb. 9, 1982, p. 5.

78/ The Fiscal Year 1984 Budget, pp. 31-32.

Bilingual Education

In 1968 Congress amended the Elementary and Secondary Education Act of 1965 to create Title VII--the Bilingual Education Act-- 79/to address the special educational needs of children with limited ability to speak English. 80/ The purposes of the Bilingual Education Act are:

> to develop and carry out elementary and secondary school programs...to meet the educational needs of children of limited English proficiency; and to demonstrate effective ways of providing such children instruction designed to enable them, while using their native language, to achieve competence in English; and to develop the human and material resources required for such programs. 81/

It is notable that a study about the achievement of Hispanic students in American high schools found that achievement was

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79/ Bilingual Education Act, Pub. L. No. 89-10, tit. VII, §§701-708, as amended by Pub. L. No. 90-247, tit. VII, §702, 81 Stat. 816 (1968) reenacted and amended by Pub. L. No. 93-380, §105(a)(1), 88 Stat. 503 (1974) reenacted and amended by Pub. L. No. 95-561, tit. VII, §701, 92 Stat. 2258 (1978), codified at 20 U.S.C. §§3221-3261 (Supp. V 1981).

80/ §702 of Bilingual Education Act as added by Pub. L. No. 90-247, tit. VII, §702, 810 Stat. 816 (1968).

81/ U.S., Executive Office of the President, Office of Management and Budget, Catalog of Federal Domestic Assistance (1980), p. 234.

correlated positively with proficiency in English and proficiency in Spanish. 82/

The largest component of the act consists of grants on the elementary and secondary education level to local education agencies (LEAs), institutions of higher education (IHEs) (which apply jointly with an LEA) and elementary and secondary schools operated or funded by the Bureau of Indian Affairs. 83/ Grants are awarded for bilingual education projects to improve the English language competency of limited-English-proficient students. 84/ Grants are awarded to State education agencies (SEAs) to provide technical assistance to the bilingual programs operated by their LEA's. 85/

Bilingual education service centers are funded to "provide training and other technical services to programs of bilingual education and bilingual education training programs." 86/ Similarly, evaluation, dissemination and assessment centers

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82/ National Opinion Research Center, F. Neilson and R.M. Fernandez, Achievement of Hispanic Students in American High Schools: Background Characteristics and Achievement, (1981). As reported in Annual Evaluation Report 1982.

83/ Annual Evaluation Report 1982, Bilingual Education.

84/ Ibid.

85/ Ibid.

86/ Ibid.

primarily assist LEAs "in assessing, evaluating, and disseminating bilingual education materials." 87/

Grants are also available to "establish, operate, or improve training programs for persons who are participating in,...bilingual education or bilingual education training programs." 88/ Funds are provided for IHEs "to develop or expand their degree-granting bilingual education training programs." Desegregating LEA's are also eligible for aid to "meet the needs of transferred students who are limited in English proficiency." 89/ A fellowship program exits for graduate students in bilingual education. 90/ Funding is also available to develop instructional and testing materials for bilingual education, and for research related to the development and dissemination of information relating to bilingual education. 91/ A vocational education component is targeted to those with limited-English-speaking ability.

87/ Ibid.

88/ Ibid.

89/ Ibid.

90/ Ibid.

91/ Ibid.

In FY 1980 the program was funded at $167 million, at $161 million in FY 1981, and at $138 million in FY 1982. This funding level was maintained in FY 1983. The administration proposes to cut the FY 1983 budget by $43.5 million (32 percent), and fund the program at $94.5 million in FY 1984. This would represent a 32 percent cut over the current funding level, and a 46 percent cut since 1980. 92/ Further, the administration's proposed rescissions for FY 1983 would eliminate grants for desegregation assistance, and propose no funding for this category in FY 1984. 93/ This comes at a time when studies show that Hispanic students (who comprise the largest segment of limited-English-proficient students) have become more segregated as "their numbers have rapidly grown in American society." 94/ Hispanics are more than six times as likely as whites to reside in the central cities of the largest metropolitan areas. They choose large metropolitan areas as a place of residence even

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92/ The Fiscal Year 1983 Budget, p. 31; The Fiscal Year 1984 Budget, p. 39.

93/ The Fiscal Year 1984 Budget, p. 39.

94/ Gary Orfield, Desegregation of Black and Hispanic Students From 1968-1980 (Washington, D.C.: Joint Center for Political Studies, 1982) p. 3 (hereafter cited as Desegregation of Black and Hispanic Students). Of the public school students identified as limited English speaking or non-English speaking 79 percent are Hispanic. National Center for Education Statistics, The Condition of Education, 1981 edition, p. 78.

more so than blacks. 95/ They reside in the central city school districts which have felt disproportionately the negative impact of the budget cuts. Thus, while the President's FY 1984 proposals would represent a 40 percent cut for the program nationwide, since FY 1980, it would represent a 56 percent reduction of monies for large urban school districts, which enroll a disproportionate number of limited-English-proficient students. 96/

Estimates are that the proposed cuts would eliminate 57,000 students from the program, which is more devastating when one considers the fact that the program now serves only about one-third of the students in need. 97/ Bilingual education programs often get mixed reviews as to their effectiveness, and there is much disagreement over the most effective way to address the special needs of limited-English-proficient students. 98/ In fact, one

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95/ Desegregation of Black and Hispanic Students, p. 7.

96/ Trends in Federal Funding to Urban Schools, p. 10.

97/ Statement of Edward R. Roybal, Update (1983).

98/ See, for example, Rochelle L. Stanfield, "Are Federal Bilingual Rules A Foot in the Schoolhouse Door?," National Journal (Oct. 18, 1980), pp. 1736-1740; U.S., Department of Education, Statement By Terrel H. Bell, Secretary of Education, (Feb. 2, 1981); Dr. Tran Trong Hai, "Bilingual Education A Better Way of Learning English; IDRA Newsletter (November 1978), p. 5; National Clearinghouse for Bilingual Education, Rudolph C. Troike, Research Evidence for the Effectiveness of Bilingual Education (Va. 1979).

evaluation found that less than one-third of the students in Title VII Spanish/English bilingual classrooms in grades 2-6 were found to be of limited-English-speaking ability, and that Title VII participants did not show greater achievement gains than non-Title VII participants. 99/ Regardless of the debate over program effectiveness, there is, however, a clear indication that limited-English-proficient students, who number over three and a half million, have special needs. Limited-English-proficient students drop out of school at a much higher rate than their English speaking peers. Limited-English-proficient Hispanic students drop out at a rate more than three times higher than that of Hispanic students who primarily speak English; and those who remain in school are more likely to be low achievers and overage. 100/ Efforts

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99/ The Annual Evaluation Report 1981, p. 197.

100/ U.S., Department of Education, Statement By Shirley F. Hufstedler, Secretary of Education (Aug. 5, 1980); National Center for Education Statistics, The Condition of Education for Hispanic Americans (February 1980).

should be directed toward improving program operations, such as better identification procedures, rather than limiting the scope of the program by cutting the budget.

Training and Advisory Services

The Civil Rights Act of 1964 established Federal funding "to provide direct and indirect technical assistance and training services to school districts to cope with educational problems of desegregation by race, religion, sex and national origin." 101/ The Title IV program includes 11 subprograms. The largest subprogram has been the desegregation assistance centers (DACs) that provided technical assistance and training services to local school agencies (LEAs) within designated services areas. 102/ DAC awards and the other subprogram awards are granted separately in the areas of race, sex, and national origin, primarily to higher education institutions. 103/ Separate awards are also made to State education agencies (SEA). In the past awards were made also to LEAs to assist in racial, sex, and national origin desegregation, and training institute (TI) awards were made to higher education institutions

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101/ Catalog of Federal Domestic Assistance, p. 235. See, 42 U.S.C. §2000c-2-C-4 (1976).

102/ Annual Evaluation Report 1981, p. 116.

103/ Ibid., pp. 116-17.

to assist in sex and racial desegregation. 104/ However, for FY 1982-1983, TIs and LEAs were not funded. 105/

During fiscal year 1982, 40 percent of the funds for the subprograms were awarded for racial desegregation, 33 percent for sex desegregation, and 26 percent for national origin desegregation. 106/ The corresponding figures in FY 1980 were 44, 30, and 26 percent. 107/

In FY 1980, SEAs received only 27 percent of the funding, LEAs 25 percent, and TIs 9 percent. DACs received the highest funding - 39 percent. 108/ In FY 1982 DACs received 49 percent of the funding, and SEAs 50 percent. 109/ Indications are that the administration is planning to increase further the funding level for SEAs. 110/

104/ Ibid.

105/ Annual Evaluation Report 1982, Training and Advisory Services.

106/ Ibid.

107/ Ibid.

108/ Annual Evaluation Report 1981, p. 118.

109/ Ibid.

110/ Dr. Charles Rankin, director, Midwest Desegregation Center, speech before the National Committee for School Desegregation, Mar. 8, 1983, Arlington, Virginia.

In 1966 $8.5 million was appropriated for the program. Funding increased gradually over the years to a high of $45 million in 1980 when 299 awards were granted. 111/ In FY 1982 the program was funded at $24 million and 135 awards were granted. 112/ The FY 1982 level represented a 47 percent decline in funding since FY 1980 and a 55 percent decline in the number of awards funded. 113/

The administration proposed, in its FY 1983 and FY 1984 budgets, to rescind totally the funding for Title IV and to place it in the Chapter 2 block grant. 114/ For FY 1983 Congress rejected the block grant proposal, and funded Title IV at $24 million. 115/

111/ Annual Evaluation Report 1982, Training and Advisory Services; Annual Evaluation Report 1981, p. 117.

112/ Annual Evaluation Report 1982, Training and Advisory Services.

113/ The Fiscal Year 1983 Budget, p. 7.; The Fiscal Year 1984 Budget, p. 32.

114/ The Fiscal Year 1984 Budget, p. 32.

115/ Ibid.

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The FY 1984 budget states that the Title IV activities "can be supported by States and local school districts from their block grant funds." 116/ How this could be done is unclear since the administration's budget would reduce the FY 1983 appropriation for the block grant by $2.5 million and proposes a FY 1984 block grant budget that is half a million less than the FY 1983 appropriation. 117/

The effectiveness of this program already has been lessened through substantial budget cuts and reductions in the number of awards made. 118/ To place it in a block grant would terminate the program. Most States, in allocating their block grants, have given no consideration to desegregation efforts.

The end of a program, which over the years has helped to assure that the change from segregated to integrated education can be accomplished peacefully and successfully, certainly would be regrettable. 119/ An evaluation of the Title IV program determined

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116/ Ibid., p. 27.

117/ Ibid., p. 31.

118/ Annual Evaluation Report, 1981, p. 117.

119/ U.S., Commission on Civil Rights, Title IV and School Desegregation (1973), p. 41; See also Annual Evaluation Report 1981, pp. 117-121.

that the most successful desegregation centers were those which targeted their services to specific desegregation needs, rather than the general needs of school districts. 120/ As a result, the Title IV regulations were revised substantially in 1978 to require DACs to give priority to school districts in the process of developing a desegregation plan, and to those in the first three years of the implementation process. 121/

Indian Education

The Indian Education Act 122/ provides Federal financial assistance for addressing the "special educational and culturally related academic needs of Indian children." 123/ Part A of the act allocates Federal funds on an entitlement basis to local educational agencies (LEAs) for elementary and secondary programs. Grants are provided to LEAs for such programs as:

(1) Remedial instruction in basic skill subject areas

(2) Instruction in tribal heritage and traditions in the context of meeting academic needs and in Indian history and political organization, including current affairs and tribal relationships with local, State, and Federal governments

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120/ Annual Evaluation Report 1981, pp. 119-120.

121/ Ibid.

122/ Pub. L. No. 92-318, tit. IV, 86 Stat. 334 (1972), as amended, codified at 20 U.S.C. §3385 (Supp. V 1981).

123/ Catalog of Federal Domestic Assistance, p. 210.

(3) Accelerated instruction and other activities that provide additional educational opportunities

(4) Home-school liaison services

(5) Creative arts such as traditional Indian arts, crafts, music and dance

(6) Native language arts, including bilingual projects and the teaching and preserving of Indian language. 124/

Part B of the act provides for the awarding of grants to Indian tribes and organizations, institutions of higher education, and State and local educational agencies for "special programs and projects to improve educational opportunities for Indian children." 125/ These include such projects as "bilingual/bicultural educational programs and programs dealing with special health, social, and psychological problems of Indian children." 126/ Other special projects include training seminars for educational personnel serving Indian children and higher education fellowships in the fields of medicine, law, education, business administration, engineering, and natural resources. 127/

124/ Annual Evaluation Report 1981, p. 138.

125/ Ibid., p. 164.

126/ Ibid.

127/ Ibid.

Part C of the Indian Education Act authorizes Federal funding for "Special Programs Relating to Adult Education for Indians" below the college level. 128/ Projects under this provision may "provide basic education, secondary education and preparation for the G.E.D., and career counseling...."129/

The administration's FY 1984 budget provides for a $16 million rescission in the FY 1983 appropriation, and a termination of the program in FY 1984. 130/ The FY 1984 budget would consist of $1 million "to allow staff to close out prior year awards." 131/ In FY 1982 Congress appropriated $77.8 million for this program; for FY 1983 the appropriated level is $67.2 million. 132/ The administration contends that the Indian Education program provides for duplication of services, and that educational services for Indians will continue through such educational programs as Chapter 1, bilingual education, and vocational education, 133/ program which

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128/ Ibid., p. 170.

129/ Ibid.

130/ The Fiscal Year 1984 Budget, p. 32.

131/ Ibid. pp. 25, 32.

132/ Ibid., p. 32.

133/ Ibid., p. 25.

also have been targeted for budget cuts. Therefore, it is not apparent how these programs could serve additional students.

The proposal to terminate the program should be questioned because of its success. For example, The Report to the Congress on the Annual Program Audits for Fiscal Year 1980 concluded that project activities addressing the "special educational and culturally related academic needs of Indian children" were of substantial quality. 134/ Evidence of success was shown in "increases in test scores, increases in school attendance rates, and decreases in the rates at which Indian students drop out of schools." 135/ Similarly an evaluation of the higher education fellowship program found that 68.8 percent of the participants earned degrees, and 96.5 percent of the graduates were employed after graduation. 136/ In contrast, nationwide, 18 percent of all Indian undergraduates complete their studies." 137/

134/ Annual Evaluation Report 1982, Indian Education.

135/ Ibid.

136/ Ibid.

137/ Ibid.

Part A grants in FY 1982 served 1,118 public school districts, and more than 300,000 Indian students. In addition, 38 tribal schools served 7,258 students, and 28 Indian-controlled schools served slightly under 10,000 students through Indian Education grants. 138/

Under Part B of the act, in 1980, 61 grants were awarded to develop "bilingual/bicultural programs, instructional materials and media centers, compensatory education, cultural enrichment, dropout prevention, and vocational training." 139/ Fellowships were awarded to 192 students attending institutions in 34 States and the District of Columbia. Under Part C of the act, in fiscal year 1981, 50 awards were made for projects which reached over 15,700 participants. 140/ The elimination of funding for the Indian Education Act will "mean that Indians will be subject to the whims of State and local school authorities." 141/ Many State and local education agencies have neither the resources nor the interest to provide such services.

138/ Ibid.

139/ Ibid.

140/ Ibid.

141/ Statement of William Leap, Education Director of the National Congress of American Indians, as reported in Education Funding News (Feb. 22, 1983), p. 9.

Education for All Handicapped Children

The Education for All Handicapped Children Act of 1975 142/ was established to award grants to States to assist them in providing a "free appropriate public education" to all handicapped children. 143/ The funds have been used for a wide variety of projects that provide educational and related services to handicapped children. 144/ In addition, the act sought to ensure equal educational opportunity for handicapped children by establishing, as a requirement for funding, that participating States must provide free public education in as normal a setting as possible for every handicapped child. 145/ In addition to the State grant program, preschool incentive grants are available "to expand educational services to handicapped preschool children, ages 3-5..." 146/

142/ Pub. L. 94-142, 89 Stat. 773 (1975) as amended, codified at 20 U.S.C. §§1401, 1411-1424a (1976 and Supp. V 1981).

143/ Catalog of Federal Domestic Assistance, p. 758.

144/ Ibid.

145/ Ibid.; A Children's Defense Budget (1982), p. 120.

146/ Annual Evaluation Report 1982.

Ten special purpose funds also exist under the Education for All Handicapped Children Act:

Deaf blind centers to provide special assistance to children who are deaf and blind.

Severely handicapped projects to establish and promote effective innovative practices in the education and training of severely handicapped children/youth.

Early education to provide comprehensive services for handicapped preschool children beginning as early as birth.

Regional education programs to assist handicapped students in the development of skills for "successful career competition in the professional, skilled and unskilled labor markets."

Innovation and development of new service models and other educational materials for educating the handicapped.

Media services and captioned films to develop materials and media addressing the learning problems of the handicapped.

Regional resource centers to promote child referral and evaluation, and to provide technical assistance to SEAs and LEAs to assist them to develop and implement the individualized educational program requirements and the free appropriate public education requirements specified in P.L. 94-142.

Recruitment and information to encourage persons to enter the field of special education, to provide information and referral services for parents and to assist parents in gaining education for their children.

Special education personnel development provides financial assistance to train personnel in the special education arena including teachers, speech therapists, researchers, etc.

Special studies to evaluate the effectiveness of the public education provided to handicapped students. 147/

In FY 1981, 3.94 million students were served through the basic State grant program; an additional 227,617 were served by the preschool incentive grants. 148/

In FY 1982 the State grants program and the preschool incentive grants received funding of $955 million. This level was continued by Congress in FY 1983. 149/ The administration's FY 1984 budget proposes an increase of $28 million to $1.023 billion. 150/ At the same time cuts are proposed in some of the smaller special purpose fund programs.

147/ Ibid.

148/ Ibid.

149/ The Fiscal Year 1984 Budget, p. 33.

150/ Ibid.

Deaf-blind centers would be cut 38 percent from $15.36 to $9.56 million.

Early childhood education would be cut 30 percent, from $16.8 to $11.8 million.

Innovation and development programs would be cut 10 percent from $12 to $10.8 million.

Media services and captioned films would be cut 4 percent from $12 to $11.52 million.

Special education personnel development would be cut 32 percent from $49.3 to $33.0 million. 151/

In total, the special purpose funds would decrease by $28 million or 25 percent. 152/ Thus, the net effect of the proposed increases in funding for the State grant program and preschool incentive grants, and the proposed cuts in 5 of the 10 special purpose fund programs would be a continuation of the total funding level for FY 1983 ($1.1 billion) in FY 1984. 153/ Further, the shift places additional

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151/ Ibid.

152/ Ibid.

153/ The other five special purpose fund programs: severely handicapped projects, regional vocation, adult and post-secondary programs, regional resource centers, recruitment and information, and special studies, would be funded in FY 1984 at the same level as the FY 1983 appropriation Fiscal Year 1984 Budget, p. 33.

resources at the disposal of State and local education agencies, and decreases resources in Federal discretionary activities. 154/

Women's Educational Equity

The Educational Equity Act of 1974 155/ was established "to promote educational equity for women and girls at all levels of education; and to provide financial assistance to local educational institutions to meet the requirements of Title IX of the Education Amendments of 1972." 156/ Since 1976 over $6 million has been appropriated annually in basically six areas: (1) curricula, textbooks, and other educational material; (2) preservice and inservice training for educational personnel; (3) research and development; (4) guidance and counseling; (5) educational activities to increase opportunities for adult women; and (6) expansion and improvement of educational programs for women in vocational education, career education, physical education, and educational administration. 157/

154/ The Fiscal Year 1984 Budget, p. 19.

155/ Pub. L. 93-380, §408, 86 Stat. 554 (1974), repealed and replaced by the Women's Educational Equity Act of 1978, Pub. L. No. 95-561, §802, 92 Stat. 2298 (1978) codified at 20 U.S.C. §§3341-3348 (Supp. V 1981).

156/ Catolog of Federal Domestic Assistance, p. 311. Title IX prohibits sex discrimination in federally assisted education programs and activities. 20 U.S.C. §§1681-1686 (1976).

157/ Catalog of Federal Domestic Assistance, p. 311; Annual Evaluation Report 1981, p. 548.

In 1979 the Women's Educational Equity Act Program (WEEAP) funded five national demonstration sites at local school districts in Arizona, Oregan, North Carolina, Florida, and Massachusetts. 158/ Faculty and other staff members integrated the WEEAP products and other educational equity resources into the educational programs. 159/ Educators from across the country have visited the sites to observe, and hopefully emulate, the program. 160/

Evaluations of the Women's Educational Equity Act program have stated:

> Title IX contract activities funded by the WEEA program...have had a substantial and far reaching impact in increasing the capabilities of state education agencies and local education agencies to provide Title IX training and technical assistance services. Through the workships conducted by the Title IX technical assistance project, a network of trained SEA and LEA personnel can provide technical assistance on Title IX programs and policies to educational institutions throughout the country. Workshop materials have been disseminated widely and adapted for use by many school systems and state education agencies. 161/

158/ Annual Evaluation Report 1982, Women's Educational Equity Act Program.

159/ Ibid.

160/ Ibid.

161/ National Advisory Council on Women's Educational Programs, Executive Summary, Evaluation of the Women's Educational Equity Act Program (1980), p. 33.

In FY 1982, 538 applications were received for new grants, and 12 were funded. 162/ In addition, 20 continuation grants were awarded.

A two-phase study of the WEEAP has been completed under contract to the Department of Education. The evaluation established that the program has been successful in developing a broad range of products and marketing them nationwide. 163/ In relation to WEEAP's objective "to produce and market...model products and strategies to potential users, nationwide," it was noted that sales of materials increased by 58 percent between 1979 and 1980, from 12,112 to 28,940. 164/ The vast majority of sales were to postsecondary institutions, SEAs, and elementary and secondary institutions. 165/ However, the evaluation also determined that gaps and unmet needs existed in products "specifically for classroom use and staff development," and materials "for use with or by disabled women, minority women, and women re-entering the work force." 166/

162/ Annual Evaluation Report 1982, WEEAP.

163/ Ibid.

164/ Ibid.

165/ Ibid.

166/ Ibid.

The administration's FY 1984 budget proposes, as it did in FY 1983, to rescind the current budget level of $5.76 million, and proposes no additional funding in FY 1984. 167/ The contention is made that the programs could be supported through the Chapter 2 block grant. How this could be accomplished is unclear since the FY 1984 budget proposes a $2.5 million reduction in the block grant for FY 1983, and a FY 1984 level which is over $1/2 million less than the current FY 1983 appropriation for the block grant. 168/

167/ The Fiscal Year 1984 Budget, p. 32. Twenty-two thousand would remain in the FY 1983 budget apparently to close out the program.

168/ Ibid., p. 31.

Appendix B: Higher Education Programs

Student Financial Aid Programs

The Federal Government offers six student financial aid programs, three grant programs--the Pell or basic grant program, 1/ the suppplemental equal opportunity grant program (SEOG,) 2/ and State student incentive grant program (SSIG), 3/--two loan programs--the guaranteed student loan program (GSL), 4/ and the national direct student loan program (NDSL), 5/--and the college work-study program. 6/ In FY 1983 the total funding for these programs was $6.6 billion, representing over 90 percent of the total higher education budget. 7/ The administration's FY 1984 budget

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1/ 20 U.S.C.A. §1070a (West Supp. 1983).

2/ 20 U.S.C.A. §§1070b to 1070-3 (West Supp. 1983).

3/ 20 U.S.C.A. §§1070c to 1070c-3 (West Supp. 1983).

4/ 20 U.S.C.A. §§1071 to 1087-2 (West Supp. 1983).

5/ 20 U.S.C.A. §§1087aa to 1087ii (West Supp. 1983).

6/ 20 U.S.C.A. §2751(a) (West Supp. 1983).

7/ Federal Education Activities, The Fiscal Year 1984 Budget, p. 6 (hereafter cited as The Fiscal Year 1984 Budget).

requests a total of $5.0 billion for Federal student financial aid programs--$3.56 billion for need-based assistance 8/ (the same as the FY 1983 funding level for the need-based programs) and $2.0 billion for the GSL program, a $1.1 billion decrease from the FY 1983 level of $3.1 billion. 9/ The reduced funding level for the GSL program reflects a proposed $900 million rescission for FY 1983, due to declining market interest rates which have reduced the total cost of the program.

In addition to budget changes, the administration proposes to restructure the distribution of student aid funds for FY 1984 by consolidating the six financial aid programs into one loan program, one work-study program, and one grant program. The new proposal represents a "major philosophical shift" in Federal policy--"a return to the traditional emphasis on parental and student contributions as the basis of meeting college costs." 10/ Under the current Federal aid policy, students may use grants (awards which do not have to be repaid) as the foundation for their aid package and then use loans and work-study funds to supplement their need. The Administration proposes to reverse this process by requiring

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8/ The need-based programs include Pell grants, supplemental educational opportunity grants, State student incentive grants, and the national direct student loan program.

9/ Ibid.

10/ The Fiscal Year 1984 Budget, p. 6.

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students to provide "self-help" through work-study or loans (in addition to the expected family contribution) before obtaining a grant. Although 400,000 fewer grant awards would be made under the new proposal, 80 percent of the aid would go to students with family incomes under $12,000 compared to about 74 percent in 1983. 11/

To implement this proposal, the administration has asked Congress to enact the "Student Assistance Improvement Amendments of 1983" which would establish a new Federal student grant program "to supplement and encourage student self-help efforts, to improve the operations and efficiency of certain Federal postsecondary education programs, to remove certain financial barriers preventing the

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11/ Fiscal Year 1984 Budget, p. 10; National Association of Universities and Land-Grant Colleges, Coordinator, Joint Budget Analysis of Higher Education Programs in the Federal Budget for FY 1984, (hereafter cited as Joint Budget Analysis.)p. 6. The Joint Budget Analysis was prepared by the following organizations: American Council of Education, the College Board, National Association of State Universities and Land-Grant Colleges, National Association of Independent Colleges, National Association of Student Financial Aid Administrators, National Council of Higher Education Loan Programs, National Council of Educational Opportunity Associations, Hispanic Higher Education Coalition, National Association for Equal Opportunity in Higher Education, Association of Jesuit Colleges and Universities, Council of Graduate Schools, National Association of Schools of Public Affairs and Administration, Council on Legal Educational Opportunity, National Association of Colleges and University Business Officers, Association of Urban Universities, American Association of Colleges for Teacher Education, American Association of Community and Junior Colleges, American Library Association, American Educational Research Association, International Reading Association, American Nurse's Association, University of Missouri, Association of American Universities, Consortium of Social Science Associations, and the University of California.

disadvantaged from attending postsecondary institutions, [and] to provide a more equitable distribution of Federal student aid funds...." 12/ The act would effect the following changes:

The Self-Help Grant Program

- Self-help grants would replace Pell grants - the basic educational opportunity grants. The maximum award would be increased from $1,800 to $3,000 per academic year. The increase in the maximum grant allowance also reflects the consolidation of resources resulting from the proposed elimination of the supplemental educational opportunity grant program.
- The amount of a student's self-help grant would be calculated by a formula that establishes a minimum self-help contribution of 40 percent of educational costs, or a minimum of $800, from the student.
- Eligibility for self-help grants would be limited to 4 academic years, except for special circumstances.
- The indirect costs of attendance allowance (excluding tuition and fees) for computing self-help grant eligibility would be set at $3,000 for all students not residing with their parents and would remain at $1,500 for students residing with their parents.
- The State student incentive grant program (SSIG) would be repealed.

12/ The Student Assistance Improvement Amendments of 1983, proposed legislation submitted by President Reagan, 129 Cong. Rec. S. 3281 (Mar. 17, 1982).

The Guaranteed Student Loan Program

- All applicants for guaranteed student loans, regardless of income, must demonstrate the need for a loan. This requirement does not apply to the auxiliary PLUS loan component of the program. 13/

- The loan origination fee for graduate and professional students would be increased from 5 to 10 percent of the principal amount of the loan.

The National Direct Student Loan Program (NDSL)

- For loans made on or after July 1, 1983, the interest rate would increase from 5 percent to either 8 or 9 percent (depending on a Treasury bill rate average). This would make the NDSL interest rate consistent with the guaranteed student loan interest rate and would result in the availability of more loan funds without new Federal appropriations.

College Work-Study Program

- The authorization level for the college work-study program would be increased by over 60 percent to $850 million for FY 1984 and 1985.

- For FY 1984 and 1985, the institutional share for the program will not be more than the share for FY 1983.

Federal student financial aid programs, particularly the need-based grant programs which were designed to serve low-income students, have had a significant role in increasing access to higher

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13/ PLUS loans provide additional funds for educational expenses at a higher interest rate than GSLs and are available to parents of dependent undergraduates, and independent undergraduate, and graduate students. 20 U.S.C.A. §§1077a to 1078-2 (West Supp. 1983).

education for minorities. 14/ For example, in 1978-79, minority students comprised over 50 percent of the 1.9 million recipients of Pell grants, the largest of the need-based programs.

Although the administration's FY 1984 budget would not decrease overall funding for student financial aid programs, the higher education community has expressed concern that cutbacks over the last 3 years already have restricted educational opportunities, and another year of level funding would undermine seriously the effectiveness of Federal student aid programs. 15/ Since FY 1980 funding of the need-based assistance programs has declined 24 percent in constant dollars. 16/ Studies have shown a decline in postsecondary enrollment for low-income students as a result of the failure of Federal aid programs to keep pace with rising college

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14/ National Advisory Committee on Black Higher Education and Black Colleges and Universities, Access of Black Americans to Higher Education: How Open is the Door?, pp. 36-46.

15/ American Council on Education, Higher Education and the FY 84 Budget: An Overview, Mar. 1, 1983, pp. 1-2.

16/ Ibid., p. 2. The appropriation for need-based programs decreased from $3.7 billion in FY 1980 to $3.5 billion in FY 1983; however, in 1980 dollars, $3.5 billion was equivalent to $2.8 billion.

costs. 17/ For example, in FY 1979, the maximum Pell grant award of $1,800 accounted for 46 percent of the average cost of attendance at all institutions and 28 percent of the cost for students attending private institutions, but in FY 1984, $1,800 will cover only 25 percent of the cost at all institutions and 16 percent at private institutions. 18/

The proposed restructuring of the student aid programs may make it even more difficult for low-income students to attend college. The self-help requirement will impose an added burden on low-income, disadvantaged students. The National Association for Equal Opportunity in Higher Education (NAFEO), an organization representing 114 historically black institutions, testified before the Subcommittee on Postsecondary Education of the House Committee on Education and Labor, that the self-help proposal will impact negatively on low-income minority students, particularly those at low cost colleges, where the bulk of black students are enrolled. 19/ The self-help requirement will be a barrier to minority college attendance for several reasons:

17/ Ibid., p. 3.

18/ Ibid.

19/ Dr. Elias Blake, Jr., president, Clark College, testimony before House Subcommittee on Postsecondary Education, Washington, D.C., Mar. 1, 1983.

- The disadvantaged minority student is usually less prepared academically than higher income students and must devote more time to academic endeavors. Minority students already participate heavily in the college work-study program to help meet college expenses. In 1980-81, 26 percent of the students enrolled in historically black institutions participated in CW-S compared to 8 percent in all institutions. In 1981-82, 43.7 percent of the students enrolled in the 42 United Negro College Fund institutions participated in the program.20/ Requiring disadvantaged students to work more hours to be eligible for a grant may have a negative effect on their retention and graduation rates. Because of the special academic needs of disadvantaged students, some black institutions have student aid policies that limit student college work-study participation to 10 hours per week and that deny participation to students with low grade point averages.21/

- There are some indications that low-income students do not have equal access to student loans. Although Federal law requires that lending instititions participating in the guaranteed student loan program have policies that do not discriminate, 22/ commercial

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20/ Maureen Burnley, Assistant Director, Department of Research and Government Affairs, United Negro College Fund, telephone interview, (hereafter cited as UNCF interview.) Interviews with black college officials.

21/ Ibid.

22/ Lending institutions may not discriminate on the basis of race, religion, national origin, sex, age, marital status, or because the applicant is receiving public assistance or has exercised certain consumer rights. U.S., Department of Education, The Student Guide: Five Federal Financial Aid Programs 1983-84, p. 11.

lending institutions are free to set their own lending criteria. According to the United Negro College Fund, financial aid administrators at UNCF member institutions report that black students have serious problems obtaining GSLs from commercial lending institutions. The National Advisory Committee on Black Higher Education and Black Colleges and Universities reported in 1979 that lending criteria that consider such factors as family's prior accounts with the lender and the family's credit record have a negative impact on access to student loans by low-income black students.23/

- The current economic status of black families and the high unemployment rate of black youth preclude their meeting the self-help requirement through normal work channels.24/

- Studies have shown that lower income students, particularly minority students, are restricted in terms of selection of a college to lower-cost schools or to schools that provide aid. As a consequence, these students give less consideration to the academic reputation of a school. 25/

23/ UNCF Interview, National Advisory Committee on Black Higher Education and Black Colleges and Universities, Access of Black Americans to Higher Education: How Open is the Door?, p.39.

24/ In 1981 the median income for black families was $13,266 and for Hispanic families, $16,401 compared to $23,517 for white families. In April 1983 the unemployment rate for black teenagers was 49.0 percent and for white teenagers, 20.4 percent. U.S., Department of the Commerce, Bureau of the Census, Statistical Abstract of the United States, 1982-83, p. 432.

25/ U.S., Department of Education, Office of Planning, Budget and Evaluation, Annual Evaluation Report on Education Programs, "Overview, Postsecondary Education Programs." Fiscal Year 1982 (Unprinted and unpaginated draft) (hereafter cited as Annual Evaluation).

> Shifting emphasis in the Federal student aid program from grants to loans and work-study may restrict further the access of these student to the more selective, higher cost institutions.

A description of the six Federal student financial aid programs, as they currently operate, follows.

Pell Grant Program

The Pell grant program was established by the Education Amendments of 1972 to provide financial aid to low-income undergraduate students. 26/ A student's eligibility for a Pell grant is based on a needs analysis formula--Student Aid Index--that considers parental and student income and assets as well as factors that affect income such as basic subsistence expenses, unusual medical expenses, and educational expenses of other family members. 27/ The dollar amount of a Pell grant is determined by the Student Aid Index and the cost of a student's education but may not exceed one-half the cost of attendance. Because the formula for calculating the Student Aid Index is reviewed annually by Congress, it may change from year to year. The maximum award authorized for 1983 is $1,800.

26/ 20 U.S.C.A. §1070a (West Supp. 1983).

27/ U.S., Department of Education, Office of Student Financial Assistance, The Pell Grant Formula 1982-1983, pp. 1-2.

Between 1973-74 and 1980-81, the Pell grant program grew from fewer than 200,000 recipients receiving $50 million to about 2.8 million students receiving $2.4 billion. 28/ For the academic year 1982-83, over 5 million applications for Pell grants will be processed. 29/ A disproportionately large number of minority students receive Pell grants. In 1978-79 (the last year for which data were collected) 56.7 percent of Pell recipients were minority students although minority students represented only 22.5 percent of the total undergraduate enrollment. 30/ A survey of first-time full-time dependent freshmen in the fall of 1980 showed that 72 percent of black students and 48.2 percent of other minority students received Pell grants, with an average award of $1,051 and $947 respectively, compared to 29.9 percent of white students with an average award of $779. 31/

28/ Annual Evaluation, Pell (Basic Educational Opportunity) Grant Program.

29/ The Pell Grant Formula, p. 1.

30/ Joint Budget Analysis, pp. 19-20.

31/ U.S., Department of Education, Basic Educational Opportunity Grants based on fall 1980 CIRP First-Time, Full-Time Dependent Freshmen (Cooperative Institutional Research Program Data Bank). The CIRP data is based on a national, representative sample of 710 higher education institutions.

In the administration's proposed FY 1984 budget, the Pell grant program would be replaced by the self-help grant with a proposed budget of $2.71 billion--a $120 million decrease from the $2.83 billion total budget for grant programs for FY 1983. The maximum grant would increase from $1,800 to $3,000 per academic year with the average grant expected to increase from $968 to $1,300 per academic year. 32/ Critics of the new program note that only the lowest income students with educational costs over $7,000 will be eligible for the maximum $3,000 grant; however, under the current Pell and SEOG programs, these students would be eligible for a total of $3,800--an $1,800 Pell grant and a $2,000 SEOG grant. 33/ Under the new proposal, grant assistance to middle-income students would be curtailed. Students with family incomes between $12,000 and $25,000 would receive 15.1 percent of self-help grants, a decrease from the 1979-80 level of 27.3 percent. 34/

32/ Fiscal Year 1984 Budget, p. 10.

33/ Joint Budget Analysis, p. 21.

34/ Ibid.

Supplemental Educational Opportunity Grant Program

The supplemental educational opportunity grant program (SEOG), a campus-based program,35/ was established in 1965 to provide assistance to needy students. 36/ The SEOG program supplements the Pell or basic grant program and provides students with the financial means to have some measure of choice in the institution they attend. Funds are allocated on a formula basis to colleges and universities which, in turn, determine the individual awards and amounts on the basis of student need and available funds. The maximum SEOG award to students is $2,000 per year. The SEOG program grew from $210 million in the 1974-75 academic year to $370 million in 1981-82 when it served 586,000 students. 37/ For FY 1982 and FY 1983, the appropriation was decreased to $355 million. 38/ The

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35/ The campus-based programs include the SEOG program the college work-study program, and the national direct student loan program. They are called "campus based" because they are administered by the financial aid offficers at the college.

36/ 20 U.S.C.A. §§1070b to 1070b-3 (West Supp. 1983). SEOG originally was authorized as the educational opportunity grants program by the Economic Opportunity Act of 1964. 42 U.S.C.A. 2751 (1964). In 1972 the SEOG program was amended to supplement the Pell grant program.

37/ Annual Evaluation - Supplemental Educational Opportunity Grants Program.

38/ Ibid.; Joint Budget Analysis, p. 22.

program will serve 545,000 students in FY 1983 at approximately 3,600 institutions. 39/ Of all first-time full-time students, about 6 percent participate in the SEOG program, receiving an average award of $600, which covered about one-sixth of the cost of their education. 40/ Minorities have received a large share of SEOGs. In 1978-79, the last year for which data were collected, 52.2 percent of recipients were minorities. 41/ In the fall of 1980, a survey of first-time full-time freshmen students found that 21.6 percent of black students and 16.1 percent of other minority students received SEOG grants, compared to 7.6 percent of white students. 42/

39/ Joint Budget Analysis, p. 12; Annual Evaluation, Supplemental Educational Opportunity Grants Program.

40/ Annual Evaluation, Supplemental Educational Opportunity Grants.

41/ Applied Management Sciences, Study of Program Management Procedures in the Campus Based and Basic Grant Programs, Vol. II: Who Gets Financial Assistance, How Much, and Why? (Report prepared for the U.S. Department of Education, May 1980) table 5.11, p. 5.26.

42/ Figures are from the Cooperative Institutional Research Program (CIRP) data bank for first-time, full-time freshmen at 710 representative higher education institutions (hereafter cited as CIRP Survey Data).

For FY 1984, the administration proposes to phase out the SEOG program, consolidating it with the other grant programs - Pell grants and State student incentive grants (SSIG) - into the new self-help grant program. According to the National Association of Independent Colleges and Universities, preliminary analysis of the proposed self-help program suggests that a substantial percentage of the current SEOG recipients would not be eligible for the new program. 43/

State Student Incentive Grant Program

The State student incentive grant program (SSIG) was established in 1965 to encourage States to develop or expand grant assistance to undergraduate students with substantial financial need. 44/ The SSIG program is a State-Federal cost sharing program with the Federal share ranging from the maximum 50 percent in 11 States to 2 percent in New York State. 45/ SSIG operations vary from State to State according to the size and maturity of scholarship programs in individual States. Funds are allocated to the States by a formula

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43/ Joint Budget Analysis, p. 22.

44/ 20 U.S.C.A. §§1070c to 1070c-3 (West Supp. 1983).

45/ Annual Evaluation, State Student Incentive Grant Program.

based on student attendance patterns. The States disburse the funds and establish the criteria for selection of students. The maximum grant is $2,000 per academic year. In FY 1974, the first year of SSIG operation, scholarship programs were initiated in 14 States and territories and expanded in 27 States. 46/ By FY 1978 all eligible States and territories were participating in the program. In 1981-82 State-funded grant programs provided an estimated $963.6 million (of which $76.7 million were Federal funds) to an estimated 1.3 million students. 47/

In 25 States--primarily those with new State grant programs--SSIG plus matching funds make up more than 40 percent of their grant program. Eleven of these States depend entirely upon SSIG and matching funds for their grant programs. 48/ In academic year 1981-81, 17 States were unable to appropriate the required matching funds. 49/

46/ Ibid.

47/ Ibid.

48/ Ibid.

49/ Joint Budget Analysis, p. 29.

Between FY 1981 and 1983, funding for the program decreased by $16.7 million causing the number of students receiving assistance to fall below 300,000 for the first time in several years. 50/ The FY 1983 budget for the SSIG program totaled $60 million and is expected to serve 240,000 students. 51/ The $60 million Federal contribution represents 6 percent of total State grant expenditures of $1 billion. 52/

For FY 1984, the administration proposes to phase out the SSIG program. One reason given for terminating the program is that SSIG was established to provide States with an incentive to establish their own grant and scholarship programs, and after 11 years of operation, the SSIG program has generated more dollars than the Federal Government could have hoped. 53/ A recent survey by the National Association of State Scholarship and Grant Programs found, however, that the elimination of the SSIG program would result in a

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50/ Ibid.

51/ Joint Budget Analysis, p. 13.

52/ The Student Assistance Improvement Amendments of 1983, proposed legislation submitted by President Reagan, 129 Cong. Rec. S. 3281 (Mar. 17, 1983), section-by-section analysis.

53/ Edward M. Elmendorf, Assistant Secretary for Postsecondary Education, letter to Students/Campus Newspaper (83-TD-032) March 1983.

reduction of the size and scope of the State grant program in most States. 54/ Because of current State finances, there is a likelihood that many States will have less capacity to compensate for the loss of Federal support.

Guaranteed Student Loan Program

The guaranteed student loan program (GSL), established in 1965, subsidizes and guarantees low-interest loans to students and parents to enable students to attend a wide variety of postsecondary educational institutions. 55/ Loan capital for the program is supplied primarily by commercial lenders with some educational institutions and State and private agencies acting as direct lenders. The long-term, noncollaterized loans are guaranteed against default by either the Federal Government or guarantee agencies (reinsured by the Federal Government). The maximum loan is $2,500 per year for undergraduates and $5,000 for graduate students. Currently, students pay 9 percent interest on GSL loans and repayment is deferred until they leave school. The Federal Government pays the interest while the student is in school. The four main Federal costs are: (1) interest benefit payments to lenders while the student is in school; (2) special allowances to

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54/ Joint Budget Analysis, p. 20

55/ 20 U.S.C.A. §§1071 to 1087-2 (West Supp. 1983).

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lenders for the difference between the subsidy interest payments and the market interest rate; (3) liabilities for principal and interest because of defaults, death, disability, or bankruptcy; (4) administration allowances to guarantee agencies.56/

In addition to the GSL, less-subsidized loans are available under the PLUS loan program at a higher interest rate to parents of dependent undergraduates and independent undergraduate and graduate students. Both graduate students and parents may borrow up to $3,000 a year to a cumulative total of $15,000. For independent undergraduates, the total PLUS and GSL loan combined may not exceed $2,500 per year. In April 1982 the interest on a PLUS loan was set at 14 percent. 57/ Parents must begin repayment within 60 days of receiving the loan; full-time students repay interest at once and begin repayment of the principal when they leave school.

Over the years, the GSL program has been an important additional source of funds for low-income students and the primary source of Federal aid for middle- and upper-income students. Before passage of the Middle Income Student Assistance Act of 1978 (MISAA), 58/

56/ The Fiscal Year 1984 Budget, p. 8.

57/ If 91-day treasury bill rates drop below 14 percent for a 12-month period, the PLUS interest rate will drop to 12 percent.

58/ P.L. 95-566, 92 Stat. 2402, codified at 20 U.S.C.A. §1001 et. seq. (West Supp. 1983).

only students with family incomes below $25,000 were eligible for subsidized GSLs. MISAA provided that all students receiving GSLs be eligible for the Federal interest subsidy while in school.59/ The Budget Reconciliation Act of 1981 reestablished income criteria by requiring that students whose adjusted gross family income exceeds $30,000 demonstrate need in order to qualify for a loan. 60/

Since 1966 when the GSL program began, over $29 billion has been provided to borrowers--$7 billion through the Federal program and $22 billion through the State guarantee agencies. 61/ In FY 1981, 2.3 million loans were committed with an average loan of $2,197. 62/ Data on student participation in the GSL program show that since the passage of the Middle Income Student Assistance Act in 1978, the median family income for GSL participants increased by 40 percent--from $18,303 in 1978 to $25,735 in 1981--compared to a 28.5 percent increase--from $19,730 to $25,360--for all college students. 63/ Minority participation in the GSL program is

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59/ 20 U.S.C.A. 1070a (West Supp. 1983).

60/ 20 U.S.C.A. §1078(n)ii (West Supp. 1983).

61/ Annual Evaluation, Guaranteed Student Loan Program.

62/ Ibid.

63/ Annual Evaluation.

considerably below white participation. In the fall of 1980, 13.6 percent of black and 15.1 percent of other minority first-time full-time dependent freshmen received GSLs compared to 23.7 percent of similar white freshmen.64/

The GSL program, the single largest source of Federal student aid, is an entitlement program, which means that once the statutory limits of the program are set, the program must be funded as loans are made. If appropriations are insufficient to cover the costs, supplemental appropriations must be made. For FY 1983 the GSL program funding level was $3.1 billion with new loan volume projected at $6.5 million and the number of recipients at 2.8 million. 65/ The FY 1984 budget reflects a $900 million rescission for FY 1983 for the GSL program because of a revised cost estimate due to declining interest rates. For FY 1984 the administration proposes a GSL budget of $2.0 billion. At this level of funding, it is projected that the number of recipients for 1984 will increase by 126,000 over 1983 levels, and the average loan will increase from $2,348 to $2,454. 66/

64/ CIRP Survey Data.

65/ Fiscal Year 1984 Budget, p. 7.

66/ Ibid.

The administration also has proposed two legislative changes in the GSL program: the imposition of a needs test on all students, regardless of income, to qualify for a GSL, and an increase from 5 to 10 percent in the fee that graduate students must pay for guaranteed loans. The administration projects that these changes in the program will save $127 million in Federal costs. 67/

National Direct Student Loan Program

The national direct student loan program (NDSL,) the oldest of the Federal student assistance programs, was established in 1958 to provide low-income students with an additional source of funds for access to postsecondary education and to provide middle-income students with an additional source of funds with which to choose more expensive colleges and universities. 68/ Under the NDSL program, a campus-based program, funds initially are allocated to the States based on the number of higher education students in each State and then to institutions on the basis of approved applications. 69/ NDSL funds are a combination of Federal and institutional capital contributions. The Federal Government

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67/ Ibid., p. 9.

68/ 20 U.S.C.A. §§1087aa to 1087ii (West Supp. 1983). Prior to FY 1973 the program was called the national defense student loan program under the National Defense Education Act.

69/ 20 U.S.C.A. §1078bb (West Supp. 1983).

provides 90 percent of the loan capital, and institutions provide the remaining 10 percent from their own funds. 70/ Postsecondary institutions make long-term low interest loans ranging from a maximum of $3,000 to $12,000, depending on the level of study, to financially needy students. The interest rate for NDSL loans is 5 percent, and repayment normally begins 6 months after cessation of studies and may continue over a 10-year period. In academic year 1982-83, the average loan was $775 for approximately 826,000 participants attending 3,347 institutions. 71/

Since the program's inception 25 years ago, the Federal Government has allocated over $12 billion to participating institutions to establish revolving loan funds. 72/ The budget authority for FY 1983 is $193 million for an estimated 883,000 recipients and an average loan of $775. 73/ The administration's FY 1984 budget requests no new Federal capital for the NDSL

70/ American Council on Education, Policy Brief, "Student Loan Default Rates in Perspective," February 1983, p. 2.

71/ Joint Budget Analysis, p. 27.

72/ Elmendorf letter to students.

73/ Fiscal Year 1984 Budget, p. 9.

program; 74/ however, the revolving funds in the program mean that over $550 million will continue to be available to students in 1984. 75/ The amount of money available in the future depends on students meeting their repayment obligations. Opponents of the proposal to zero fund the NDSL program note that the revolving funds are distributed unevenly among institutions. 76/ Student loan defaults affect the monies available in the revolving fund because the Federal Government does not reimburse the institution for NDSL defaults. It is estimated that the elimination of Federal capital contributions in the NDSL program would result in the loss of 195,000 loans to needy students. 77/ Additionally, institutions with high default rates receive reduced or no new Federal funds.

74/ The $4 million requested is for the Federal entitlement costs related to loans whose repayment obligations are cancelled because of borrower employment in certain forms of public service.

75/ Fiscal Year 1984 Budget, p. 9.

76/ Joint Budget Analysis, p. 28.

77/ Ibid.

Many black colleges and universities, for example, because of high student default rates have received no capital contributions over the last 2 years. 78/

78/ In August 1982, the Department of Education announced that some 800 schools would receive reduced or no new Federal capital contributions for the NDSL program. A substantial number of historically black colleges were included on this list. Black college presidents note that in penalizing institutions for failing to collect loans, the real victims are the future students who will be unable to obtain NDSLs. They also belive that the policy does not take into consideration the different kinds of students that historically black institutions enroll. Analysts note that in examining student loan default rates, it is necessary to assess what level of default is realistic for student loans, given their special purpose and special population. These loans are made to young people generally inexperienced in credit transactions and from families of low to moderate income. Another consideration is that the economic climate has not been favorable for postcollege employment and job security for young people. The high incidence of defaults has been attributed to several factors including a misunderstanding among the early groups of borrowers that they had received a grant not a loan, the use of the program as a recruiting tool, and the failure of the institution to give students accurate information about loan repayment. Since 1976 collection procedures for Federal student loans have begun to improve. The overall NDSL default rate for FY 1981 was 15.4 percent, the adjusted default rate - which reflects the potential for collection after defaulted loans are turned over to the Federal government for collection - was 11.9 percent. Arthur M. Hauptman, "Student Loan Default Rates in Perspective," American Council on Education Policy Brief, February 1983; Higher Education Daily, vol. 10, no. 149, p. 1; New York Times, Aug. 1, 1982, p. 22, U.S., Department of Education, Office of Student Financial Assistance, National Direct Student Loan Status of Defaults as of June 30, 1980, August 1981.

Between 1980 and 1981 the number of students borrowing NDSL funds dropped 38.6 percent in 79 black institutions responding to a special survey. 79/ A national survey of first-time full-time, dependent freshmen for fall 1980 showed that 12.3 percent of black and 11.1 percent of other minority students participated in the NDSL program, compared to 10 percent of white students. 80/

College Work-Study Program

The college work-study program (CW-S) was established in 1964 to stimulate and promote the part-time employment of students at eligible institutions in need of earnings to help pay their college expenses. 81/ Under the program, the Federal Government makes grants to higher education institutions for the partial reimbursement of wages paid to students. Since August 1968 Federal grants have covered up to 80 percent of student wages; the remainder

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79/ Prezell R. Robinson, National Association for Equal Opportunity in Higher Education, testimony submitted to the House Subcommittee on Postsecondary Education, Washington, D.C., Oct. 15, 1981.

80/ CIRP Survey Data.

81/ 42 U.S.C.A. §2751(a) (West Supp. 1983).

is paid by the institution with its own funds or contributions from the employer or other donor. 82/ In FY 1982 the CW-S program assisted approximately 880,000 students; the average award for first-time full-time freshmen was $729. 83/ For FY 1983 the budget authority of $540 million will provide an average award of $725 to approximately 810,000 students. 84/

The college work-study program is an important source of financial assistance for minorities. A fall 1980 survey of first-time full-time dependent freshmen showed that 29.4 percent of blacks and 17.3 percent of other minorities compared to 14.1 percent of whites participated in the college work-study program. 85/

The FY 1984 budget proposes an expanded college work-study program as a focal point of the new self-help philosophy. The CW-S program would be increased by nearly 60 percent to $850 million, and the number of students served would increase by over 40 percent to 1.1 million. The average award for 1984 would increase to $800 and,

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82/ Annual Evaluation, College Work-Study Program.

83/ Ibid.

84/ The Fiscal Year 1984 Budget, p. 7.

85/ CIRP Survey Data.

according to the administration, make it possible for a student to meet the self-help minimum contribution of $800 entirely through the CW-S program. Students at low-cost colleges--educational costs up to $2,000--could meet the minimum $800 self-help contribution through the college work-study program. At more expensive colleges, students would be required to contribute 40 percent of the cost. The National Association of Student Financial Aid Administrators reports that currently only 22.7 percent of educational costs at public institutions and 11 percent at private institutions are met by the college work-study program. 86/ Clearly, increased funding for the college work-study progam would be beneficial to students in general. However, most students would not be able to meet the self-help requirement solely through the CW-S program.

Strengthening Developing Institutions Program

The strengthening developing institutions program (SDIP) authorized by Title III of the Higher Education Act of 1965, as amended, provides financial assistance for a limited period of time to eligible institutions to improve their academic quality, institutional management, and fiscal stability. 87/ Eligible

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86/ Joint Budget Analysis, p. 25.

87/ 20 U.S.C.A. §§1058, 1061, 1064 (West Supp. 1983).

institutions are those with low average expenditures and high percentages of students receiving Federal need-based financial aid. In FY 1981 almost 1,000 two- and four-year institutions were eligible to participate in the Title III program. 88/ The goal of the program is to enable developing institutions to move into the mainstream of American higher education.

Three separate programs are authorized: (1) Strengthening Institutions program is the basic program for developing institutions and requires that not less than 24 percent of the funds be for 2-year institutions; (2) aid to institutions with special needs is a program for institutions with more extreme needs and requires that not less than 30 percent of the funds be reserved for 2-year institutions and that 50 percent of the amount received in 1979 under the SDIP program be reserved for historically black colleges; (3) the challenge grant program provides assistance as an incentive for institutions to seek alternative sources of funding to become self-sufficient. 89/

Title III funds are an important source of financial assistance for historically black institutions. In FY 1983 at least $41 million of the $130 million in Title III funds is targeted for black

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88/ Annual Evaluation, Strengthening Developing Institutions Program.

89/ 34 C.F.R. §§625. 31, 626, 31, 627.1 (1983).

colleges and universities. 90/ For FY 1984 the administration proposes to fund the Title III program at the 1983 revised appropriation of $134 million. Additionally, the administration will request that the set-aside for historically black institutions be increased to $42 million for FY 1983 and to $45 million for FY 1984.

Special Program for Disadvantaged Students (TRIO)

The special programs for disadvantaged students, authorized by the Higher Education Act of 1965, as amended, assist disadvantaged students in obtaining a postsecondary education. 91/ The legislation provides for one appropriation to be distributed among five discretionary grant programs. These programs, commonly referred to as the TRIO programs, include: talent search, upward bound, educational opportunity centers, special services, and the TRIO staff training program.

For FY 1983 the budget appropriation for the TRIO programs is $154.7 million. For FY 1984 the administration proposes to reduce the TRIO budget by 77 percent to $35 million and to alter the program's legislation in order to target the $35 million to

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90/ The Fiscal Year 1984 Budget, p. 11.

91/ 20 U.S.C.A. §§1070d to 1070d-1d (West Supp. 1982).

institutions serving a large percentage of minority students. 92/ The administration projects that 66 percent of the funds under the new program would go to black colleges. 93/

The TRIO programs provide valuable services to disadvantaged students and have proven successful in increasing their access to higher education. The administration's proposed changes for the TRIO programs would limit the availability of services for the majority of disadvantaged students. Although the new proposal would target a substantially reduced appropriation to predominantly minority institutions, particularly black colleges, 70 percent of black students and over 90 percent of mainland Hispanic students attend white institutions. 94/ Additionally, the historically black institutions are concentrated in the South and predominantly

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92/ The Fiscal Year 1984 Budget, p. 12. As of May 11, 1983, the new legislation had not been made public. Although the FY 1984 budget document shows the $35 million line item under one of the TRIO programs--special services to disadvantaged students--Department of Education TRIO staff expect all five programs to be eliminated with the new program incorporating elements of each of the five old programs.

93/ Ibid.

94/ American Council on Education, Higher Education and the FY 84 Budget: An Overview, Mar. 1, 1983, p. 6.

Hispanic institutions in the Southwest. Eliminating TRIO programs at predominantly white institutions may have the effect of limiting access to these institutions by disadvantaged minority students.

A description of each of the five programs follows.

Talent Search. The talent search program, a discretionary grant program, makes competitive awards to institutions of higher education, public and private agencies and, in special cases, to secondary schools to locate youths of financial or cultural need with exceptional potential and encourage them to complete secondary school and begin postsecondary education. 95/ Participants in talent search programs are usually 7th to 12th graders who have academic potential but are poorly prepared and underachievers. The program also publicizes student financial aid programs and encourages high school or college dropouts of demonstrated aptitude to reenter school.

The majority of the participants in talent search programs are minority students. During academic year 1979-80, 153 projects were funded at an average cost of $100,336. The projects served 198,817 clients of whom 42 percent were black, 31 percent were other minorities, and 27 percent were white. 96/ In FY 1981 the program

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95/ Public Law 96-374 (codified, as amended, at 10 U.S.C.A. §1070d-1 (West Supp. 1983)), established that not less than two-thirds of the participants must be low-income and potential first generation college students.

96/ Annual Evaluation, Talent Search Program.

was funded for $17.1 million; of the 171 grants awarded, 21 were made to historically black institutions for a total of $1.7 million. 97/ Additionally, $700,852 in grant funds were awarded to predominantly black institutions, 98/ and $1.9 million to predominantly Hispanic institutions. 99/ The talent search program has been successful in reaching disadvantaged students. In the 1980-81 academic year, 66,239 Talent Search clients were placed in postsecondary institutions and an additional 40,187 were accepted for enrollment. Additionally, approximately 14,301 actual or potential dropouts were persuaded to return to school or college. 100/

Upward Bound. The upward bound program, a discretionary grant program, makes awards on a competitive basis, primarily to institutions of higher education, to assist low-income students with academic potential who lack adequate secondary school preparation to

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97/ Ibid.

98/ "Predominantly" black institutions have a majority black enrollment but were not established specifically for blacks as were "historically" black institutions.

99/ Annual Evaluation, Talent Search Program..

100/ Ibid.

meet conventional requirements for admission to postsecondary educational institutions. 101/ The goal of the program is to generate skills and motivation through remedial instruction, tutoring, cultural exposure, and counseling. Minority students are the primary beneficiaries of upward bound programs. In academic year 1980-81, 55 percent of the clients were black, 14.4 percent Hispanic, 2.2 percent Asian or Pacific Islanders, 4.8 percent Native American and 23.6 percent white. 102/ A 1979 evaluation of upward bound showed that the program has had a positive effect on participating students: about 91 percent of participants pursued postsecondary education compared to 70 percent of nonparticipants; about 73 percent of the students entering postsecondary institutions attend a 4-year college or university compared to 50 percent of nonparticipants; upward bound has increased participants' awareness of the availability of financial aid as participants received Federal financial aid more frequently than nonparticipants. 103/

101/ 20 U.S.C.A. §1070d-1a (West Supp. 1983).

102/ Annual Evaluation, Upward Bound Program.

103/ Ibid.

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Educational Opportunity Centers. Educational opportunity centers serve areas with major concentrations of low-income populations by providing information concerning financial and academic assistance, assistance in preparing applications for admission, counseling, tutoring, and other assistance necessary for residents to enroll in postsecondary institutions. 104/ Centers also serve as recruiting and counseling sources to assist postsecondary institutions in admitting educationally disadvantaged students. Unlike the talent search, upward bound, and special services programs which are targeted to individuals, educational opportunity centers can serve any resident of the funded area. In FY 1980 about 59 percent of the 117,100 participants in the center's 32 projects were minorities. For the same year, program data showed that 33,021 participants were placed in postsecondary schools or other types of training programs, and 8,078 participants had been accepted by a postsecondary institution. 105/ In FY 1983 the program will serve an estimated 102,836 students in 33 projects. 106/

Special Services for Disadvantaged Students Program. The special services for disadvantaged students program (SSDS) is designed to provide remedial and other supportive services to

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104/ 20 U.S.C.A. §1070d-1c (West Supp. 1983).

105/ Annual Evaluation, Educational Opportunity Centers.

106/ Joint Budget Analysis, p. 35.

students with academic potential who are enrolled or accepted for enrollment at the institution receiving the SSDS grant. 107/ Participants must be from disadvantaged educational, cultural, or economic background, suffer from rural isolation or physical handicap, or have limited English-speaking ability. 108/ Grant awards are made on a competitive basis to institutions of higher education. In FY 1980 approximately 61 percent of the program's participants were minorities, 17 percent were culturally disadvantaged, 55 percent were educationally disadvantaged, 6 percent were physically disabled, and 7 percent were of limited English-speaking ability. 109/ In FY 1980, 23,432 of the 172,071 students who participated in the program showed adequate academic and personal adjustment and moved out of the program into the regular academic channels of the host institution; 9,080 graduated from the host institution, and 4,270 left the host institution to transfer to another college.110/ An impact evaluation of the

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107/ 20 U.S.C.A. §1070d-1b (West Supp. 1983).

108/ Ibid.

109/ Annual Evaluation, Special Services for Disadvantaged Students.

110/ Ibid.

program for the 1979-80 academic year showed that the SSDS program has had a positive effect on participants: students who received the full range of SSDS services were 2.2[illegible] times more likely to complete the freshman year than similar students who did not receive the services, and SSDS students attempted and completed more course units than students who did not participate in the program.111/ In FY 1983 an estimated 640 projects will be funded at an average cost of $94,844. 112/

Training Program for Special Programs Staff and Leadership Personnel. The program is designed to provide training for staff and leadership personnel who will specialize in improving the delivery of services to students assisted in the talent search, upward bound, educational opportunity centers, and special services programs. 113/ Under the program, grants are awarded competitively to institutions of higher education and other public agencies and nonprofit private organizations. In FY 1981 one contract was awarded to provide training to 550 project personnel. Participants received training in Federal legislative and regulatory

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111/ Ibid.

112/ Joint Budget Analysis, p. 35.

113/ 20 U.S.C.A. §1070d-1d (West Supp. 1983).

requirements, project administration, and effective management techniques and attended seminars on the issues affecting retention and attrition rates of TRIO project clients.114/

Minority Institutions Science Improvement Program

The minority institutions science improvement program (MISIP) was established in 1972 to help minority institutions develop and maintain quality science education and to improve access to science and engineering careers for precollege and undergraduate level minority students. 115/ MISIP funds four types of projects: (1) institutional and cooperative grants for comprehensive science education projects at one or more institutions (maximum award $300,000 for 3 years); (2) small design projects to provide science planning capability to institutions with no formal planning mechanisms (maximum award $20,000 for 1 year); and (3) special projects for single focus improvement activities (maximum grant $50,000 for 2 years). 116/

114/ Annual Evaluation, Training Program for Special Programs Staff and Leadership Personnel.

115/ 42 U.S.C.A. §§1862 to 69 (1976), codified at 20 U.S.C.A. §1221e (West Supp. 1983).

116/ Annual Evaluation, Minority Institutions Science Improvement Program.

In FY 1983 the MISIP budget authority was $4.8 million and 38 grants were awarded. Almost 70 percent of the institutions participating in the program are black colleges. 117/ For FY 1984 the administration proposes to continue funding the program at the $4.8 million level with approximately $3 million targeted to black colleges.

Graduate and Professional Study Program

The graduate and professional study program provides grants to graduate and professional students in financial need. 118/ The program has two parts: Part A - the institutional grant program - provides financial assistance to institutions to maintain and improve the quality of graduate and professional programs including public service education, and to strengthen related undergraduate programs; Part B - the graduate and professional fellowship program provides grants to institutions to support fellowships for graduate and professional study for needy students. 119/ Part B provides for

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117/ The Fiscal Year FY 1984 Budget.

118/ 20 U.S.C.A. §§1134d to 1134g (West Supp. 1983).

119/ The Educational Amendments of 1980 (P.L. 96-374) provided for a new Part B that voids and replaces the old Part B (Graduate/Professional Education Opportunities Program), Part C (Public Service Fellowships), and Part D (Domestic Mining and Mineral and Mineral Fuel Conservation Fellowship) and reconstituted them into a single program, Fellowships for Graduate and Professional Study.

three types of fellowships: (1) graduate and professional opportunity fellowships (GPOP) for individuals from groups, particularly minorities and women, that are underrepresented in graduate or professional study; (2) public service education fellowships for those who plan to begin or continue a career in public service; and (3) domestic mining and mineral and mineral fuel conservation fellowships for those who plan to begin advanced study in these areas. 120/

In FY 1981, the first year in which grants under the new consolidated program were awarded, $12 million were appropriated for the program. Of this sum, $10 million went to the GPOP program and $2 million to public service fellowships. Minorities received 79 percent and white women received 21 percent of 1,185 GPOP fellowships awarded in FY 1981.121/ In FY 1982 the total appropriation of $8.6 million was awarded to 110 colleges and universities to support 372 fellowships and 650 continuation fellowships during the 1982-83 academic year. 122/

120/ Annual Evaluation, Graduate and Professional Study Program.

121/ Ibid.

122/ Ibid.

The administration proposes to rescind the $10 million available for the GPOP program and $2 million for public service fellowships in FY 1983 and terminate these programs in FY 1984 with the justification that these programs should be able to attract other funding sources, and students can use other Federal student financial aid sources. 123/ There is some evidence to suggest that minority students, in particular, may have difficulty finding other sources for fellowships. Research has shown that as competition increases for public and private followships, traineeships, scholarships, and grants, black graduate and profesional students find less success than others in securing diminishing financial aid dollars. 124/ Private funding sources and University graduate school budgets are not increasing rapidly enough to fill the void that would occur if the GPOP program is eliminated. Elimination of these programs may affect the limited gains in graduate education that have been made by minorities and women. The graduate and

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123/ The Fiscal Year 1984 Budget, p. 27.

124/ National Advisory Committee on Black Higher Education and Black Colleges and Universities, A Losing Battle: The Decline in Black Participation in Graduate and Professional Education, p. 10. Ann Pruitt, Associate Dean of the Graduate School, Ohio State University, and Chairman, Committee on Minority Graduate Education, Council of Graduate Schools, telephone interview.

professional study program is one of few programs that provides for expanded access for minorities and women to graduate and professional study. 125/

Legal Training for the Disadvantaged

The legal training for the disadvantaged program was established by the Higher Education Act of 1965 to assist disadvantaged persons in pursuing training in the legal profession. 126/ The goal of the program is to increase significantly the number of lawyers from minority and disadvantaged groups. The program is administered through a noncompetitive grant to the Council on Legal Educational Opportunity (CLEO), which identifies program participants. 127/ Selection of participants is made by regional panels of law school deans and other educators. Under the program, students participate in an intensive summer prelaw training session, and during law school, each participant receives an annual fellowship stipend of $1,000. 128/

125/ Joint Budget Analysis, p. 42.

126/ 20 U.S.C.A. §1134-1 (West Supp. 1983).

127/ Annual Evaluation, Legal Training for the Disadvantaged.

128/ Ibid.

Since its inception in 1968, the program has assisted 3,060 students at 144 law schools 129/ and has produced approximately 2,000 law school graduates. 130/ In academic year 1981-82, 94 percent of the participants were minorities. Evaluations of the program have found it to be successful in terms of participants' academic performance in law school, performance on the bar examination, and employment achievements. 131/

Despite the success of the program, the Administration proposes to rescind the $1 million for FY 1983 and to request no funding for FY 1984. 132/ Because the program is funded on an annual basis, the FY 1983 proposed rescission will mean that CLEO fellows now enrolled in law school who are unable to find alternative sources of funding will have to interrupt their studies. 133/ Additionally,

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129/ Annual Evaluation, Legal Training for the Disadvantaged.

130/ Joint Budget Analysis, p. 47.

131/ Annual Evaluation, Legal Training for the Disadvantaged.

132/ The Fiscal Year 1984 Budget, pp. 27-28.

133/ Joint Budget Analysis, p. 47.

many participating law schools will be unable to maintain the summer program component without Federal financial assistance. 134/

In proposing the elimination of the program, the administration asserts that the program is expected to be able to attract other funding. According to the Council on Legal Educational Opportunity, "...the proposed reductions in federal assistance would also serve to cripple the program's pending fundraising initiative directed at corporations, law firms and foundations," 135/ because they will signal a retreat in the Federal commitment to the program.

Migrant Education Programs

The Department of Education administers two programs - the high school equivalency program (HEP) and the college assistance migrant program (CAMP) 136/ - that provide grants to institutions of higher education to assist migrant and seasonal farmworkers beyond the age of compulsory school attendance to complete the courses necessary to receive a high school diploma or its equivalent (HEP), or to provide

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134/ Ibid.

135/ Ibid., p. 49.

136/ 20 U.S.C.A. §1070d-2 (West Supp. 1983).

them with special financial and educational services in the first year of college (CAMP). 137/

Both the HEP and CAMP programs have achieved their goals. In 1980-81, 85 percent of the HEP participants passed the general education development (GED) examination; 92 percent were placed in college, job-training programs, or full-time jobs. 138/ For CAMP participants, 98 percent completed their first undergraduate year with grade point averages one point above the class average. 139/ Because 90 percent of the migrant and farmworker population is Hispanic and most of the remaining 10 percent is black, 140/ participants in the HEP and CAMP programs are predominantly minority. In FY 1982 the HEP program was funded at

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137/ Annual Evaluation, High School Equivalency Program; College Migrant Program.

138/ Ibid., p. 2.

139/ Ibid.

140/ E.P. Vecchio and Oscar Cerda, National Association of Farmworker Organizations, "Discrimination Against Farmworkers in the Insurance Industry," in U.S., Commission on Civil Rights, Discrimination Against Minorities and Women in Pensions and Health, Life, and Disability Insurance (April 1978), vol. I, p. 519.

$5.8 million and served approximately 2,100 students at 19 institutions. 141/ The CAMP program was funded at a little less than $1.2 million and served 456 students at 6 sites. 142/ Although the programs were funded for a total of $8 million in FY 1983, the administration requests no funding for HEP and CAMP in FY 1984 for two reasons: (1) the programs are too expensive for the number of students served ($2,525 per student in 1982) and (2) other Federal higher and adult education programs provide similar services. 143/ Elimination of these programs, along with cutbacks and the elimination of other education programs aimed at the disadvantaged, can only have a cumulative adverse effect on educational opportunities for minorities.

141/ Annual Evaluation, High School Equivalency Program; College Assistance Migrant Program.

142/ Ibid.

143/ The Fiscal Year 1984 Budget, p. 26.

APPENDIX C: TABLE A.1

FUNDING LEVELS FOR SELECTED EDUCATION PROGRAMS
(in thousands of dollars)

PROGRAM	FY 1981 Approp.	FY 1982 Approp.	Admin. Proposed FY 1983 Budget	FY 1983 Approp.	Admin. Proposed FY 1983 Rescission/ Supplements	Revised FY 1983 Request	Admin. Proposed FY 1984 Budget
Elementary & Secondary							
Title I	2,951,692	3,033,969	1,942,000	3,160,394	-126,425	3,033,969	3,013,969
ESAA	149,209	---	---	---	---	---	---
Block Grant	---	470,400	406,080	479,420	-2,541	476,879	478,879
Bilingual Education	161,427	138,058	94,534	138,057	-43,523	94,534	94,534
Training & Advisory	37,111	24,000	0	24,000	-24,000	0	0
Indian Education	81,680	77,852	51,957	67,247	-16,128	51,119	1,243
Handicapped Education	1,177,856	1,068,580	845,668	1,110,252	---	1,110,252	1,110,252
Women's Educational Equity	8,125	5,760	0	5,760	-5,738	22	0
Higher Education							
Pell Grants	2,604,000	2,419,040	1,400,000	2,419,040	---	2,419,040	2,713,800 1/
Supplemental Educational Opportunity Grants	370,000	355,400	0	355,400	---	355,400	--- 1/

1/ For FY 1984, a new Self-Help Grant program would replace the Pell Grant, Supplemental Educational Opportunity Grant, and State Student Incentive Grant programs and would be funded for $2.7 billion.

FUNDING LEVELS FOR SELECTED EDUCATION PROGRAMS (continued)
(in thousands of dollars)

PROGRAM	FY 1981 Approp.	FY 1982 Approp.	Admin. Proposed FY 1983 Budget	FY 1983 Approp.	Admin. Proposed FY 1983 Rescission/ Supplements	Revised FY 1983 Request	Admin. Proposed FY 1984 Budget
Higher Education							
State Student Incentive Grant Program	76,750	73,680	0	60,000	---	60,000	--- 1/
Guaranteed Student Loan Program	2,535,470	3,073,846	2,484,631	3,100,500	-900,000 2/	2,200,500	2,047,100
National Direct Student Loans	200,800	193,360	2,500	193,360	---	193,360	4,000 3/
College Work-Study	550,000	528,000	397,500	540,000	---	540,000	850,000
Strengthening Developing Institutions	120,000	142,483	129,600	129,600	+4,816	134,416	134,416
TRIO	156,500	150,240	82,251	154,740	-29,556	125,184	35,000

2/ The $900 million rescission for the Guaranteed Student Loan Program is due to lower market interest rates.

3/ The FY 1984 budget requests no new Federal capital contribution for the National Direct Student Loan program. The $4 million is for the Federal entitlement costs related to loans whose payment obligations are canceled because of borrower employment in certain forms of public service.

FUNDING LEVELS FOR SELECTED EDUCATION PROGRAMS (continued)
(in thousands of dollars)

PROGRAM	FY 1981 Approp.	FY 1982 Approp.	Admin. Proposed FY 1983 Budget	FY 1983 Approp.	Admin. Proposed FY 1983 Rescission/ Supplements	Revised FY 1983 Request	Admin. Proposed FY 1984 Budget
Higher Education							
Minority Institutions Science Improvement	5,000	4,800	3,287	4,800	---	4,800	4,800
Graduate & Professional Opportunities	10,000	8,640	0	10,000	-10,000	0	0
Legal Training for the Disadvantaged	1,000	960	0	1,000	-1,000	0	0
Migrant Education	7,303	7,011	0	7,500	-7,500	0	0

Source: U.S., Department of Education/Foundation for Education Assistance, The Fiscal Year 1983 Budget (Feb. 8, 1982); U.S., Department of Education/Federal Education Activities, The Fiscal Year 1984 Budget (Jan. 31, 1983).

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